Is Personalized Communication Superior? the Effectiveness of Personalization and the Role of Consumers’ Characteristics

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ABSTRACT

Personalized communication has become a very popular marketing strategy, but the research on its effectiveness is still limited. This study examined the effectiveness of personalized digital newsletters in terms of increased attention, evaluation, attitude, and intention. Participants (N = 124) were randomly exposed to one of two experimental conditions: generic or personalized. The personalized message was not found to be more persuasive than the generic message. The effects were moderated by individuals’ need for cognition and privacy concerns. Theoretical and practical implications are discussed.

Technology developments have not only made customer driven communication possible, but also widespread. Nowadays, companies possess different tools and strategies that enable them to address their customers personally. One prominent strategy is that of personalization. Although the term personalization covers a variety of concepts (Vesanen 2007), the idea behind them is the same, namely to create a message referring to a receiver’s self (Petty, Wheeler, and Bizer 2000).

According to Jupiter Research (2007), nowadays personalization is broadly utilized. There is paucity in research on the effects of personalized marketing communication though. Some authors have proven personalized communication to enhance attention and elaboration (Tam and Ho 2005), lead to a more positive attitude (Kalyanaraman and Sundar 2006), and increase response rate (Ansari and Mela 2003). Other studies, however, have not managed to show positive effects of personalization (e.g., Bull, Kreuter, and Scharff 1999). The reason for these inconsistent findings can be that many studies have compared personalized communication with a control condition with no message (Dijkstra 2008). Moreover, the role of personal factors has not been studied enough (Ho, Davenport, and Tam 2008). Therefore, this study intended to compare generic marketing communication with personalized marketing communication, and investigate the moderating role of consumers’ characteristics.

PERSONALIZED COMMUNICATION

Personalization is a (marketing) communication strategy, which aims to make the message more meaningful and thus persuasive. This is being done by incorporating personalization cues in a general text (Dijkstra 2005). Personalization cues are recognizable aspects of a person, such as a name, home town, customer program. Personalization is often used within the context of web-based communication, for instance, in personalized web pages, digital newsletters, and e-commerce.

Tactics of personalization. Personalization cues may be categorized in three personalization strategies distinguished be Hawkins et al. (2008). The first strategy is identification. Examples of identification cues are: a name, personal pictures, or the recognition of the recipient’s birthday. The second way of personalizing a message is to raise the expectation that the message is customized by including an overt claim of customization: “This offer is just for you!” The last possibility to personalize a message is to add a meaningful context to it. Contextualization is done by referring, for example, to the recipient’s role as a student, or to his or her hometown.

Mechanism of personalization. A theoretical perspective that can explain the effectiveness of personalization is based on a theory of self. Personalized communication includes information that can be recognized as personal, such as name. Therefore, it refers to the individual’s self. People are cognitively sensitive to such information (Cherry, 1953); therefore, personalized cues activate self-referencing process. This means that both the cues and the content of the personalized message are processed in the context of self (Dijkstra 2008), which makes the message personally relevant. Therefore, based on the elaboration likelihood model (Petty and Cacioppo 1979), people should process personalized communication via the central route. This means that we can expect individuals to pay more attention to and better memorize the communication (Rogers, Kuiper, and Kirker 1997). Personalized communication should also lead to more cognitive activity, and be able to exert more influence on behavior (Hunt and McDaniel 1993) by impacting attitude certainty and strengthening the attitude-behavior relationship, which makes influencing individuals more likely (Petty and Briñol 2008).

MODERATING FACTORS

Privacy concerns. The reason why some researchers have not found personalization to be effective may be that consumers are becoming more worried about their privacy (Langheinrich et al. 1999). Consumers’ feeling that they are loosing control over their privacy (Nowak and Phelps 1997) may cause resistance towards sharing their individual information (Rubini 2001), and attentiveness to such information being used. Therefore, we expected personalization to be less effective among individuals concerned with privacy.

Consumers’ need for uniqueness. Individuals pursue to maintain a sense of being special (Snyder 1992), and derive satisfaction from the perception that they are different (Simonson and Nowilis 2000). Personalized communication acknowledges the individuality of each recipient, which makes people feel unique (Kalyanaraman and Sundar 2006). Therefore, personalization may be more effective among individuals with a high need for uniqueness.

Need for cognition. Need for cognition, a personal trait which reflects the extent to which individuals engage in and enjoy effortful cognitive activities (Cacioppo, Petty, and Morris 1983), may moderate personalization effectiveness by influencing the depth of information processing (Tom and Ho
Ho et al. (2008) found that individuals with a higher need for cognition prefer more personalized content. However, individuals with low need for cognition are more sensitive to peripheral cues (Haugtvedt et al. 1992; Cacioppo, et al. 1986) as they are less motivated to elaborate (Bosnjak, Galesic, and Tuten 2007). Because personalization does not change the content, but adds personal cues only, we hypothesized that lower need for cognition would enhance the persuasive effect of personalized messages.

**METHOD**

**Participants**

Our predictions were tested in an experiment. The sample consisted of Dutch undergraduate students (\(N = 124\), 74.2 % female), \(M_{\text{age}} = 19.56, SD = 1.75\) who were voluntary members of an existing student survey panel. Participants were not compensated for their participation, but they were encouraged to take part in the study with the incentive of collecting an additional ECTS-credit.

**Materials**

E-mail newsletters that advertised the University Sport Center (USC) served as the stimulus material. The newsletters were developed on the basis of the original USC newsletter. They were similar in length and layout, and encompassed information on sports, locations, and prices at USC. Two conditions of the newsletter were created: generic, which did not include any personalization, and personalized, in which identification, raising expectation, and contextualization were combined.

The newsletters used in the two conditions were identical except for the condition-specific features. The generic version of the newsletter included the information about USC, as well as neutral pictures of the sport center. In the personalized version of the newsletter, the recipient’s first name was mentioned three times, the statement: “This letter was created especially for you!” was included, and personal background variables were taken into account: It included pictures of the USC presenting women (for female students) or men (for male student), as well as textual cues that referred to the fact that they were students at the department of Communication Science. The newsletters had been discussed during two focus groups (\(N = 10\)) and pretested among another group of Dutch students (\(N = 64\)).

**Procedure**

Participants were randomly exposed to one of the two following versions of a newsletter: generic (\(n = 61\)), personalized (\(n = 63\)). There were no differences between participants in these two conditions in terms of demographic variables (i.e., age, gender). Participants received a link to the online survey. First, they were asked to respond to a few general questions (e.g., about their gender or name). Next, they did a filler task. After that, they were exposed to one of the newsletters. Finally, participants were asked to fill in the survey.

**Measures**

In all conditions, the same questions were asked. The first part of the questionnaire included demographic questions. The second part measured dependent variables: attention, attitude, evaluation, and intention as well as a manipulation check. The third part of the questionnaire measured moderating variables: need for cognition, consumers’ need for uniqueness, and privacy concerns. Finally, in the last part of the questionnaire, additional demographic questions were asked.

**Responses to the message.** Attention was measured by the question “How thorough did you read the newsletter?” with four possible answers: *not at all, only scanned, read it partially, and read it all*. Evaluation of the newsletter was measured with a grade as used within the university (1 = low, 10 = high). Attitudes towards the message, as well as attitudes towards USC, were measured via respectively 10 and five five-point semantic differentials (e.g., bad quality-good quality, not nice-nice, \(a = .90, a = .92\), respectively). Intention was measured with three questions: “How probable is that you will contact USC?”, “How probable is that you will join USC?” and “How probable is that you will talk to your friends about USC?” answered on a scale anchored 1 (very improbable) to 5 (very probable).

**Person-related variables.** Constructs were measured with multi-item Likert scales anchored by 1 (totally disagree) to 5 (totally agree). Individuals’ need for cognition was measured by selecting the five items with the highest factor loadings and item-total correlations from the 34-item Need for Cognition Scale (Cacioppo and Petty 1982). These five items scored high in a Dutch sample as well; however, an additional sixth item was added based on item-total correlations in this sample (Pieters, Verplanken, and Modde 2005). Respondents’ need for uniqueness (CNFU) was measured by selecting nine items with the highest factor loadings from the 12-item Consumers’ Need for Uniqueness scale (Ruvio, Shoam, and Makovec Brenčič 2008). An example of an item is: “I often combine my possessions in such a way that I create a personal image that cannot be duplicated” (\(a = .84\)). To measure privacy concern (PC), the three-item Global Information Privacy Concern scale was used (Malhotra, Kim, and Agarwal 2004). An example is: “I am concerned about threats to my personal privacy today” (\(a = .80\)).

**Manipulation check.** Awareness of personalization was assessed via a 10-item scale answered on a five-point Likert scale, for example, “Could you identify yourself with the group to which the newsletter targeted?” and “Did you have an impression of being personally addressed in the newsletter” (\(a = .85\)).

**RESULTS**

The manipulation check showed that our manipulation was successful, \(t(122) = -4.27, p < .001\). Personalized condition was perceived as more personal (\(M = 3.45, SD = .77\)) than the generic condition (\(M = 2.90, SD = .66\)). However, we found only one significant main effect. Personalization condition influenced attention, \(\chi^2(3, N = 124) = 10.78, p = .013\) (Figure 1). Participants in the generic condition more often read the newsletter partially (\(N = 21, 34.4\%)\) than those in the personalized condition (\(N = 12, 19\%)\). However, participants in the personalized condition
Table 1. 
Main Effects of the Condition on the Dependent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Condition</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation (message)</td>
<td>Generic</td>
<td>6.31</td>
<td>1.18</td>
<td>-3.69</td>
<td>.713</td>
</tr>
<tr>
<td></td>
<td>Personalized</td>
<td>6.41</td>
<td>1.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude (message)</td>
<td>Generic</td>
<td>3.26</td>
<td>.69</td>
<td>.024</td>
<td>.981</td>
</tr>
<tr>
<td></td>
<td>Personalized</td>
<td>3.25</td>
<td>.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude (USC)</td>
<td>Generic</td>
<td>3.63</td>
<td>.68</td>
<td>-4.95</td>
<td>.621</td>
</tr>
<tr>
<td></td>
<td>Personalized</td>
<td>3.70</td>
<td>.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention (contact)</td>
<td>Generic</td>
<td>2.62</td>
<td>1.40</td>
<td>.803</td>
<td>.424</td>
</tr>
<tr>
<td></td>
<td>Personalized</td>
<td>2.43</td>
<td>1.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention (join)</td>
<td>Generic</td>
<td>2.58</td>
<td>1.34</td>
<td>.444</td>
<td>.658</td>
</tr>
<tr>
<td></td>
<td>Personalized</td>
<td>2.48</td>
<td>1.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention (talk)</td>
<td>Generic</td>
<td>3.02</td>
<td>1.28</td>
<td>.002</td>
<td>.998</td>
</tr>
<tr>
<td></td>
<td>Personalized</td>
<td>3.02</td>
<td>1.13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We did not find any other main effect of condition on our dependent variables (Table 1). Therefore, we could not support our expectation that personalized communication leads to stronger persuasion effects than generic communication.

To test moderating role of need for cognition, consumers' need for uniqueness, and privacy concerns, regression analysis was performed with the condition as an independent variable (dummy coded), standardized consumers' characteristics, and the interaction between the condition and the consumers’ characteristics as predictors, and respectively, standardized dependent variables (Table 2). To assess the differences between conditions among individuals with low (-1 SD) and high (+1 SD) consumers’ characteristics, analyses of covariance with estimated marginal means were run.

Regression analysis showed that NFC significantly moderated effect of the condition on attention (β = -.29, t = -2.244, p = .027). The simple slope analysis revealed significance of the slope for the personalized condition (β = -.343, p = .010), but not for the generic condition (β = .111, p = .376). Individuals with low NFC paid significantly more attention to the personalized condition than to the generic condition, F(1, 120) = 5.99, p = .016. This supports our expectations that low NFC will strengthen the persuasion effects of personalized communication (Figure 1).
Table 2.
Multiple Regression Models for the Dependent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Attention</th>
<th>Evaluation message</th>
<th>Attitude message</th>
<th>Attitude USC</th>
<th>Intention contact</th>
<th>Intention join</th>
<th>Intention talk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition</td>
<td>.099</td>
<td>.003</td>
<td>-.031</td>
<td>.037</td>
<td>-.105</td>
<td>-.085</td>
<td>-.016</td>
</tr>
<tr>
<td>CNFU</td>
<td>.153</td>
<td>-.148</td>
<td>-.139</td>
<td>-.098</td>
<td>-.235</td>
<td>-.154</td>
<td>-.076</td>
</tr>
<tr>
<td>NFC</td>
<td>.102</td>
<td>.006</td>
<td>-.042</td>
<td>-.010</td>
<td>.113</td>
<td>.096</td>
<td>-.014</td>
</tr>
<tr>
<td>PC</td>
<td>.081</td>
<td>-.012</td>
<td>-.120</td>
<td>-.035</td>
<td>-.134</td>
<td>-.214</td>
<td>-.125</td>
</tr>
<tr>
<td>Cond*CNFU</td>
<td>-.077</td>
<td>.100</td>
<td>.153</td>
<td>-.164</td>
<td>.111</td>
<td>.064</td>
<td>.098</td>
</tr>
<tr>
<td>Cond*NFC</td>
<td>-.290*</td>
<td>.122</td>
<td>.081</td>
<td>.026</td>
<td>-.058</td>
<td>-.052</td>
<td>-.001</td>
</tr>
<tr>
<td>Cond*PC</td>
<td>-.191</td>
<td>-.273†</td>
<td>-.150</td>
<td>-.040</td>
<td>.024</td>
<td>.062</td>
<td>.066</td>
</tr>
</tbody>
</table>

Note. Coefficients are standardized regressions coefficients (betas)
†p < .10, *p < .05

Figure 2. Condition x Need for Cognition Interaction On Attention

Figure 3. Condition X Privacy Concerns Interaction On Evaluation (Message)
Interaction analysis also showed the moderating role of PC on evaluation of the newsletter ($\beta = -.273, t = -1.968, p = .051$). The simple slope analysis revealed that the slope for the personalized condition ($b = -.339, p = .004$) was significant, but the slope for the generic condition was not ($b = .002, p = .988$). Analysis of covariance did not reveal significant differences between the conditions among individuals with either high or low PC.

**DISCUSSION**

The aim of this study was to examine the persuasiveness of different strategies of personalization. Therefore, we developed two versions of an advertising newsletter: generic and personalized. In addition, the moderating role of consumers’ characteristics was studied. We did not find personalized communication to be more persuasive than generic communication. Moreover, it was only slightly moderated by personal factors, namely by the need for cognition and privacy concerns. As we expected, individuals with a low need for cognition paid more attention to the personalized condition than to the generic condition. In accordance with our expectations, we found that privacy concerns inhibit the persuasion effects of personalization.

An explanation for the overall lack of differences between conditions might be that personalization cues attract attention, and instead of increasing the relevance of the message, they awake the awareness of a persuasion trial (Pettty and Cacioppo 1986). This may make individuals more careful, and thus impede persuasion.

A plausible explanation for the lack of results is that individuals might not have expected commercial e-mails from the university. According to Bennet White, Zahay, Thorbjørnsen (2008), personalized and not justified personalized e-mail communication may lead to reactance. As a result consumers are less willing to respond favorably to the offer. Moreover, such communication may not be perceived as honest, which can decrease the general attitude towards the source (de Pecheyrou and Desmet 2007).

Concerning the consumers’ characteristics, the moderating role of the need for cognition seems to support an idea that personalization does not work via the central, but the peripheral route of processing. Personalization cues might have functioned as heuristics, which is possible because they neither change the quality of the content itself, nor provide any persuasive information (Dijkstra 2008). It seems that they attracted attention from individuals with a low need for cognition who are usually more interested in peripheral cues (Haugtvedt et al. 1992; Cacioppo, et al. 1986). The moderating role of privacy concerns proved that personalization should be carefully applied because it may lead to negative response of individuals concerned about their privacy.

The current study systematically compared personalized and generic marketing communication while taking consumers’ characteristics into account. It showed that personalized communication does not always work, and that the dose of personalization does not explain its ineffectiveness, as it was suggested earlier (Dijkstra 2008). The inclusion of personal factors learnt that consumers who care about their privacy may respond negatively to personalized communication, but it can attract attention of people with a low need for cognition, which is often the mind-set of Internet users.

The present study has several limitations that should be considered while interpreting the results, but can also be regarded as suggestions for future research. Our study employed a young and homogenous sample of university students who were forcefully exposed to the communication. The brand was known to the receivers, so they might have made some perceptual associations with it. Participants' feeling of familiarity towards the university and university sport center may have led to ambivalence, as shown by Brooks and Highhouse (2006).

Since information processing is the theoretical perspective used to explain the effectiveness of personalization, the role of arguments' strength, perceived relevance of the message, and perceived involvement with the topic could be included. As the inclusion of need for cognition showed, more focus should be placed both on the mechanism of personalization and on moderators of personalization's efficacy. Our findings have practical implications for the e-mail marketing. It appears that personalizing messages—by including personalization cues—does not make them more persuasive. Therefore, companies aiming to create more effective communication may want to consider other strategies than personalization.

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