

The Effects of Personalized Marketing Communication on Consumers' Attitudes and Behaviors and the Role of Privacy Violation

Abstract: An increasingly digital world is providing companies with many different possibilities to collect and take advantage of consumer data. Many researchers have shown positive effects of using consumer data for personalization, but the negative consequences noticed by technology researchers have not yet been investigated in relation to personalization.

The main purpose of this study is to investigate in what way personalized marketing communication affects consumer's attitudes and behaviors, and what role intrusiveness plays in the relationships. This was done by incorporating different types of personal information in email communication. Two quantitative experimental studies were conducted comparing groups exposed to marketing communication including different types of information. The first study was based on fictive scenarios including 723 respondents and the second was performed in a real life setting including 1874 respondents.

The results showed that personalized marketing communication is perceived as more relevant and useful than non-personalized marketing communication, resulting in more positive consumer attitudes and behaviors. It was also revealed that even though personalization caused a feeling of intrusiveness that had a negative impact, the benefit of receiving a useful communication message from a company was much greater resulting in an overall positive outcome.

Authors: 22063 Victoria Öhberg, 50182 Sandra Nilsson

Supervisor: Magnus Söderlund

Examiner: Anna Nyberg

Discussants: Niclas Rudin and Alexander de la Rosa

Presentation: Stockholm, May 27, 2016

Stockholm School of Economics

MSc Program in Business & Management,

Specialization in Marketing & Media Management

Master Thesis, Spring 2016

Keywords: Personalization, privacy, contextual integrity, intrusiveness, marketing communication, consumer attitude, consumer behavior.

A special thanks to

Magnus Söderlund

For invaluable guidance and advice.

Sofia Edholm and Maria Ersson

For incredible assistance and support, and for making this study possible.

The department of consumer insight and CRM at SJ

For sharing invaluable information and knowledge with us.

SJ AB

For providing us with all resources necessary.

**Agneta Holmberg, Alexandra Fristedt, Carl-Philip Ahlbohm,
Louise Vikbladh, Carina Ahlin, and Björn Gustafsson**

For valuable reflections and advice.

Table of content

1. Introduction.....	5
1.1 The challenges of avoiding privacy violation.....	6
1.2 The explored and unexplored areas of personalized communication.....	7
1.3 Purpose statement	8
1.4 Research questions	8
1.5 Research contribution	9
1.6 Perspective and delimitations	9
1.7 Concepts and definitions	10
1.8 Disposition.....	10
2. Theory and Hypotheses Generation.....	12
2.1 Personalization.....	12
2.1.1 Definition of personalization.....	12
2.1.2 Personalized communication.....	13
2.2 Effects of personalized messages	13
2.2.1 Personalization's effect on attitudes and behaviors.....	14
2.2.2 Why personalization should lead to positive outcomes	18
2.2.3 Personalization and privacy.....	20
2.2.4 Summary of hypotheses	26
3. Methodology	27
3.1 Initial work	28
3.2 The choice of methodology	28
3.3 Research design	29
3.3.1 Pre-study	29
3.3.2 Study 1: The Scenario study	32
3.3.3 Study 2: Campaign study.....	35
3.4 Collection of information	37
3.5 Analytical tools and statistical tests	37
3.5.1 Analytical tools	37
3.5.2 Statistical tests.....	37
3.6 Quality of data	38
3.6.1 Reliability	38
3.6.2 Validity.....	39
4. Study 1: The Scenario Study.....	41

4.1 Analysis and results for study 1: The Scenario study	41
4.1.1 Personalized communication.....	41
4.1.2 Effects of personalized communication	42
4.1.3 Mediation effects.....	44
4.2. Discussion of Study 1: The Scenario Study	50
4.2.1 Personalized communication.....	50
4.2.2 Effects of personalized communication	51
5. Study 2: The Campaign Study	54
5.1 Analysis and results for study 2: Campaign study.....	54
5.1.1 Personalization	54
5.1.2 Effects of communication	55
5.2. Discussion of study 2: The Campaign study	57
5.2.1 Personalization	57
5.2.2 Communication effects	57
6. General Discussion	59
6.1 Discussion.....	59
6.1.1 Do different types of personal information lead to different levels of perceived personalization?	59
6.1.2 Will personalized marketing communication affect attitudinal and behavioral outcomes?.....	60
6.1.3 Does the privacy aspect of personalized marketing communication have a negative impact of attitudinal and behavioral outcomes?.....	60
6.2 Conclusion.....	61
6.3 Managerial Implication.....	62
6.4 Limitations.....	62
6.5 Future research	63
7. Bibliography	64
8. Appendix.....	69
8.1 Personal Interviews of SJ Employees.....	69
8.2 The scenarios used in study 1: The scenario study	69
8.3 Messages used in study 2: the campaign study	72

1. Introduction

Rapid technological development has led to analytical tools and cloud services becoming available for more companies to enjoy, making it more common for organizations to collect and process Big Data (Marr, 2016). In addition, companies' services are also becoming increasingly digitalized which offers easier possibilities for collecting consumer data (Sveriges konsumenter, 2016). This can be done through a number of ways including online tracking of consumer behavior (Kairos future, 2015) and observing members of one's loyalty program (Axel Johnson AB, 2015; Uncles, 2003). Consumer data, is used by companies for creating value and becoming more profitable (Marr, 2016), this is done by adapting offers to fit consumers wants, needs and behaviors (Sveriges konsumenter, 2016).

Analyzing consumer data can help companies find new sources of revenue and develop new products and services in order to retain consumers (Accenture, 2016). It can also be used for giving product recommendations through advanced recommendation algorithms and collaborative filtering like Amazon does (Arora et al., 2008), or using the information to show relevant targeted ads based on previous behavior (Berry, 2014). The process of collecting information about consumers and using it for providing individual content is called personalization (Ho & Bodolf, 2014; Arora et al., 2008). Companies marketing efforts is trending towards offers and communication becoming increasingly personalized due to the new generation and their usages habits of technologies and appreciation of individual offers (Holm, 2016). The urgency of personalization comes from the fact that a one product fits all approach is no longer working (Crmrends, 2016). As markets are becoming increasingly fragmented and consumers' needs more diverse (Franke et al., 2009) there is a need for greater adaptation. The knowledge and use of distinctive personal characteristics can help marketers to better align offerings with consumer preferences (Barnett White et al., 2008). It has also been shown that companies can benefit from personalization in terms of higher response rates, consumer loyalty, satisfaction and differentiation from competitors (Vesanen, 2007).

Successful global companies like Walmart, Carrefour, and Ritz Carlton are using the information in their loyalty programs to benefit their consumers and strengthen the company-consumer relationship. One popular tool for communicating directly with consumers in a personalized way is through direct email marketing, and companies like the Swedish transportation company SJ

AB have started to make use of this information in order to more accurately segment the messages sent out.

1.1 The challenges of avoiding privacy violation

Personalization is perceived to be very beneficial to both consumers and companies. It has been shown that consumers perceive personalized marketing communication (also referred to as personalized communication) as more relevant (Vesanen, 2007), useful (Merasivo & Raulas, 2004), valuable, and meaningful (Arora et al., 2008), and research indicates that it has beneficial outcomes for companies in terms of higher response rates, consumer satisfaction, consumer loyalty, and differentiation from competitors (Vesanen, 2007). Many consumers do actually have a friendly attitude towards personalization. As many as 63 percent of the recipients in a study said that they would be willing to disclose more information about themselves if it would lead to companies sending them more relevant products and services (Berry, 2014). However, personalization is not without any problems.

Despite the benefits gained by personalization it has also shown to be a cause of concern for the individual's personal information and how it is handled (e.g. Solive, 2006; Petronio, 1992; Sutanto et al., 2013). The digital age and the technological development have given rise to new ways of gathering personal information and new aspects of privacy discussions (Boyd, 2010). A lot of people are opposed to the collection of their personal information and are concerned about how companies might use it (ibid.). One consumer can be registered in hundreds of databases, and the information registered in those databases has become a product that companies sell (Ankarberg Johansson, 2016). In a recent study, 77 percent of the respondents state that they feel as if they benefit in no way from their information being shared (Berry, 2014). It is obvious that the debate about personalization is twofold and that one and the same person can perceive the collection of information to be non-favorable even though it is a prerequisite for the personalization that they appreciate.

From a study made by Capgemini it is clear that consumers want communication that is relevant and personalized to their needs, but at the same time there is a fear of disclosing too much information about themselves. The results show that all Swedish respondents were positive to personalized communication. However, they also had a negative attitude towards letting companies know too much about them (Capgemini, 2015). This clearly illustrates the paradox of the benefits and perceived risk that collection of information and personalization leads to. It is

clearly a thin line and a challenge for companies to keep the balance of gathering data and at the same time being able to protect consumer privacy (O'Dwyer, 2014).

1.2 The explored and unexplored areas of personalized communication

Previous research made on the subject of personalization is limited and does not give clear picture of what holds true, but there has been a few studies done in various settings. Previous research in service marketing has investigated effects of personalization but has focused on personalization in serving customers rather than personalized communication. Such research has shown that personalization has positive effects on consumer quality evaluation, patronage behavior (Mittal & Lassar, 1996), customer loyalty, satisfaction and trust (Ball et al., 2006).

In studies made on personalization in an online setting personal product recommendations have been investigated. However, these studies investigated personal product suggestions rather than personal messages (Postma & Brokke, 2002; Ho & Bodolf, 2014). One study investigating the effect of personal email communication was done by Barnett White et al. (2008), who investigated different levels of personalization on click-through rate in email communication. However they did not compare personalized messages to non-personalized messages or the effect on attitudes or purchase behavior. The results from these studies showed mixed results. Both Postma and Brokke (2002), and Ho and Bodolf (2014) found that personalization positively affected user attitudes and behaviors while the study made by Barnett White et al. (2008) showed that personalization could have a negative effect on consumer click behavior.

According to Arora et al. (2008) personalization comes with certain risk. They mean that if a company fails to match the targeted consumer the effect may be even worse than if there had been no personalization at all. This might have to do with the fact that consumers are more or less willing to disclose information about themselves and involve in a cost-benefit process when deciding what to disclose (Anderson & Agrawal, 2011). The paradox between enjoying the benefits of personalization and at the same time being concerned about one's privacy is the area that has received most focus from researchers. Several studies using information boundary research have addressed the personalization-privacy paradox and its relation to consumers' adoption of new technologies. These studies have found a negative relationship of privacy concerns on trust and adoption intention (Guo, Zhang, & Sun, 2015), and of personalization on the perceived risk (Xu & Luo, 2011). However the role of privacy violation has, to the best of our knowledge only been investigated in the personalization-adoption of new technology

relationship. No study of similar effects has been found regarding personalization's effect on consumer attitudes and behaviors.

This study aims to address two dimensions of personalization; personalization's psychological effects of personalization on attitudes and behaviors, and the issue of personalization intruding on consumers' personal space. This study differs from previous research in several ways. Non-personalized messages were compared with different levels of personalized messages. It tests the effect of personalized communication in terms of text, and the personalized information used is gathered about consumers through their behavior (such as purchases and click behavior) rather than information actively disclosed by consumers. This study also incorporates theory of privacy issues previously used by researchers with focus on technology adoption. To the best of our knowledge there is up to this date no study made, that tests the effects of personalized direct communication and combines it with privacy research. To investigate the effects of personalized direct marketing communication on consumers and the role of privacy violation, we have collaborated with Sweden's largest train company SJ AB further on referred to as SJ), owned by the Swedish government (SJ AB, 2016).

1.3 Purpose statement

With this background we define the purpose of this study to be to describe the effects of personalized marketing communication on consumer attitudes and behaviors and to describe how those relationships are affected by privacy violation.

1.4 Research questions

In order to study the effects of personalized messages the following three research questions was used as guidelines and contributed to fulfilling the purpose of this study:

- **Do different types of personal information lead to different levels of perceived personalization?**
- **Will personalized marketing communication affect attitudinal and behavioral outcomes?**
- **Does the privacy aspect of personalized marketing communication have a negative impact of attitudinal and behavioral outcomes?**

1.5 Research contribution

Research on personalization has been conducted previously but there is a lack of consensus in the results of what personalization truly effects; nor has there, been conducted any research on how the dimension of privacy influences consumers' responses to personalized communication. Previous research was concentrated on either the psychological effects of personalization on attitudes and behaviors in different context, or personalization's role in adoption of technology. However, to the best of our knowledge no research exists that has addressed these two dimensions of personalization in the same study, nor compared non-personalized messages with different levels of personalized messages in email communication. This thesis intends to extend the current understanding of the effect of personalized marketing communication and how consumers' privacy issue is linked to these effects by merging literature on communication effects with consumer boundary research and research done in the context of adoption of new technology. This contributes both to a new perspective on the effects of personal communication and replicates the findings of technology adoption research in a new context.

Direct communication is frequently used by companies and the increasing use of consumer information for personalized communication segmented messages, clearly points out a need for knowledge about the effect of these actions and how it should be conducted. Marketing efforts implicates large investments and it is therefore of great importance to know whether it is worth the investments in time and money or not. Further on, there have been no research found that investigates different levels of personalized communication and what information to include in it. This study differ from previous research in the way that it tests the effect of personalized e-mails in terms of text differently from Postma and Brokke (2002) and we use personalized information gathered about consumers through their rather than only using information stated by consumers themselves. This study also incorporates theory of privacy issues and integrity previously used by researchers with focus on technology adoption. To the best of our knowledge there is up to date no study made that tests the effects of personalized direct communication and combines it with privacy research.

1.6 Perspective and delimitations

Due to restrictions in time and money decisions have been made to limit the extent of the thesis. Thus this study is focusing on the effects of personalized communication within the train transportation industry in Sweden. The effects of personalized communication have been

analyzed from a consumer perspective, and the study is limited to only include people from age 18 to 75. We have also limited the study to investigate text communication and not images.

1.7 Concepts and definitions

The following table contains important concepts and their definitions, used in the paper.

Concept	Definition
Personalization	“A specialized flow of communication that sends different recipients distinct messages tailored to their individual preferences or characteristics” (Barnett White et al., 2008)
Customization	Automated personalization that require consumers’ active input to generate individual content. (Arora et al., 2008)
Attitude	A consumer opinion towards for example a person, a physical object or behavior (Ajzen & Fishbein, 1977). In this thesis attitude refers to brand attitude and attitude towards communication.
Consumer loyalty	“Repeated purchase of particular products or services during a certain period of time” or “a deeply held commitment to rebuy or recognize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior” (Yi & Jeong, 2003)
Purchase intention	“The willingness of a consumer to buy a certain product or a certain service is known as purchase intention.” (Mbaskool, 2016)
Big Data	“The amount of data just beyond technology's capability to store, manage, and process efficiently.” (Manyika, 2011)
Privacy	“The ability of the individual to control the terms under which personal information is acquired and used” (Awad & Krishnan, 2006).
Contextual integrity	“A feature of situations in which the informational norms of a context have been respected; when any of these norms have been unjustly breached, than we say that contextual integrity has been violated.” (Barth et al., 2006)
Perceived intrusiveness	Jiang et al. (2013) write that, according to Burgoon et al. (1989), perceived intrusiveness is the extent to which individuals perceive unsolicited invasion into their personal space. Perceived intrusiveness will be referred to as intrusiveness in this thesis.

1.8 Disposition

This paper is structured in six sections and has the following outline. The first part, introduction, explains the objective of the thesis pointing out the research gap and importance of the chosen subject. Part two present the chosen framework and hypothesis generation. The third part describes the methodology chosen for conducting the thesis. In part four the analysis of collected

empirical data and results are presented from study 1 followed by a discussion of the results. Part five consist of analysis and results from study 2 followed by a discussion of the results from study 2. In the sixth part, a general discussion, implication of the results, limitations, and suggestions for future research can be found.

2. Theory and Hypotheses Generation

This chapter is structured in two main research topics; Personalization and The expected effects of personalization. The first topic is presenting the concept of personalization and explains what personalized communication is. The second topic is about the effects of personalized communication and about the role of privacy violation. Within each topic relevant theory and hypotheses generations are presented. Lastly, the relationships of the hypotheses are illustrated and summarized at the end.

2.1 Personalization

Personalization has been discussed in various studies from different angles. This section is presenting the concepts of personalization and what personalized communication is. This will lead to the first hypotheses generation.

2.1.1 Definition of personalization

When talking about personalization different definitions have been used, but the common denominator is the adaptation to individuals. Barnet White et al. (2008) refers to personalization specifically as "a specialized flow of communication that sends different recipients distinct messages tailored to their individual preferences or characteristics". It is a process where the individual's information is used, for example for sending recipients advertising messages which are individually adapted to information about individual consumers and their preferences (Sutanto et al., 2013; Postma and Brokke, 2002). By using technology and consumer information it is possible to tailor electronic commercial interactions to fit an individual consumer's needs (Vesanen et al., 2007). Thus, personalization is simply about understanding the needs of each individual and helping to satisfy their goals in a given context with a goal of building consumer loyalty through building a one-to-one relationship that consumers find meaningful (Riecken, 2001).

There are two ways for firms to tailor their marketing mix to an individual consumer, through customization or through personalization (Arora et al., 2008). The concept of personalization can easily be confused with customization, but unlike customization, personalization is automated and does not require a consumer's active input to generate individual content (Ho & Bodolf, 2014; Arora et al., 2008).

2.1.2 Personalized communication

There are several ways to communicate with consumers in personalized ways. Communication can specifically be referred to as in-person communication or written communication. In-person communication is for example service personnel before during and after a service transaction. Examples of written communication are personalized letters, direct mail, web site interactions, and e-mail (Ball et al., 2003).

Messages can be tailored in many different ways. Depending on what type of information the message contains, the level of distinctiveness will vary and be perceived by consumers as personal to different extents (e.g. Petronio, 1991; Sutanto, 2013). The level of distinctiveness is the degree to which the information in the message is perceived as personal or private (Barnett White et al., 2008). To have a positive effect the personalized communication should be helpful, positive, useful, easy, and pleasant (Ball et al., 2003; Ball et al., 2006).

Different types of information are perceived by consumers to be personal at different levels (e.g. Petronio 1991, Sutanto et al. 2013). Information which can easily be accessed, e.g. age and gender, is perceived as less private than behavioral information like an individual's purchases (Sutanto et al., 2013; Phelps et al., 2000), and the information assigned the highest level of privacy is information like financial and health records (Phelps et al., 2000). Depending on what type of information the communication includes, the communication should thus be perceived as being personal at different levels, leading us to the following hypothesis:

H1a: Consumers exposed to marketing communication including different types of information will perceive personalization at different levels.

H1b: Consumers exposed to marketing communication with personalized (non-personalized) information will experience a higher (lower) level of personalization.

2.2 Effects of personalized messages

Personalization is a marketing activity performed with the objective of producing favorable results, i.e. increased revenue and profit, but even though it seems to have positive effects (e.g. Ball et al. 2006) it is not without complications. Research done on the acceptance of adopting

technology shows that personalization might lead to negative effects if consumers feel like their personal space is intruded (e.g. Johnson & Paine, 2007; Sutanto et al., 2008). Thus, in order to investigate the research question we turn to consumer psychology research and research done on the use of IT and integrity.

2.2.1 Personalization's effect on attitudes and behaviors

2.2.1.1 Previous research

The research on personalization can be divided in two groups, Supportive and doubtful (Arora, 2008). Several researchers expect that personalized marketing will bring benefits and can help companies to success but a problem often is that it is not clearly understood how personalization can help companies to improve their performance (Vesanen, 2007). There have been several different studies made on personalization and its relationship to different factors (e.g. Al-alak and Alnawas, 2010; Lee and Cranage, 2011; Ho and Bodolf, 2014). Several of these authors suggest that personalization generates positive effects (e.g. Ball et al., 2006; Al-alak & Alnawas, 2010; Postma & Brokke, 2002). Others suggest that there are only small or no differences (Barnett White, 2008) and that highly personalized messages even can cause negative responses (Barnett White et al., 2008). According to Arora et al. (2008) a presumption for personalization is that the targeting is accurate. If a company fails to match the targeted consumer the effects may be even worse than if there had been no personalization at all (Arora, 2008).

In an attempt to explain the determinants for satisfaction Ball et al. (2006) used and extended the European consumer satisfaction in the context of service in the banking industry. They found that communication affects the perception of personalization and that personalization had a positive direct effect on loyalty, satisfaction and trust. Furthermore they found two indirect effects on loyalty through satisfaction and trust. Postma & Brokke (2002) tested the effect of personalization on click-through-rate and found that personalization had a contributing effect in the long run. In fact the people who were exposed to personalized items had a 100 percent higher click-through rate than those respondents exposed to editor-picked items. Ho and Bodolf (2014) investigated the effect of personalized product suggestions on websites selling books and music. The results show that personalization lead to increased advertising revenue and increased sales revenue.

2.2.1.2 Attitude and behavior formation

In most marketing research personalization has shown to affect both attitudes and behaviors (e.g. Ball et al., 2006; Postma & Brokke, 2002; Porter & White, 2003). The goal of all marketing communication is in the end increased profit (Dahlén & Lange, 2008; Levy et al., 2012) which can be realized either through increased sales or decreased cost which is influenced by consumer perceptions (Dahlén & Lange, 2008). Marketing communication like personalized messages has the power to influence is increased sales, thus we will not take cost into account in this study. There are different models describing how communication leads to consumer response but what they have in common is that they all build on the same notion and effect hierarchy. For a communication message to reach revenue goals there are several prerequisite that must be fulfilled;

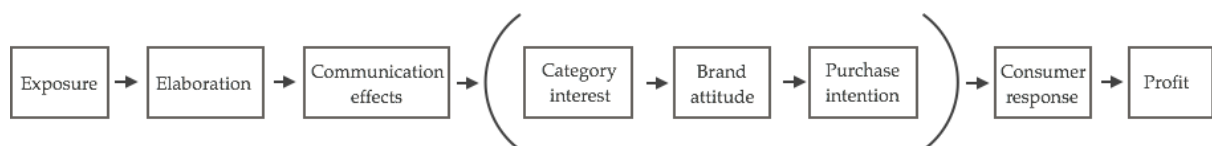


Figure 2.1: Model of how a communication message leads to consumer response (Dahlén & Lange, 2008).

First the consumer has to be *exposed* to the message in order to have the possibility to elaborate it or not. Thereafter, consumers will *elaborate* the message only if the communication is adapted to the segment's selective perception. Once the consumer has become aware of the communication it can create *communication effects*. Communication effects happen in different steps; the first effect to take place is category interest and if the category interest has been fulfilled consumers are able to form knowledge about the brand. When these two steps have been reached a brand attitude, either absolute or in relation to other companies and products, can be formed. Based on this attitude, the consumer forms a purchase intention, which is the final goal of communication effects. Only then, *consumer response* in terms of purchase is possible, and these can in turn lead to increased profit. (Dahlén & Lange, 2009)

In a laboratory experiment the respondents are forced to both be exposed to the communication and will elaborate it because they are told to do so. However, in a real life case scenario the consumer has to actively click on an email or see an ad to be exposed to it and be able to elaborate it. Thus these steps are only relevant for a real life situation. The steps of category interest and brand knowledge are not relevant in either a laboratory study, nor in a real live setting. This is because loyalty program members, which this study is looking to investigate, is

assumed to already possess these since they have bought the company's products at previous occasions and actively signed up for a membership.

The third step of communication affects is brand attitude. It is possible to have attitudes towards people, physical objects, behavior or a policy (Ajzen & Fishbein, 1977). According to the commonly used Elaboration likelihood model (ELM) consumers are influenced by communication messages and form their attitudes and behaviors accordingly (Ho & Bodolf, 2014). Consumers elaborate information either through the central route where the depth of information processing is high and the message are carefully processed, or the peripheral route where the depth of information processing is low and the consumer processes the information based on associations and rule of thumbs (Hoyer & MacInnis, 2008). The dual mediation hypotheses show that consumer attitudes have the possibility to affect consumers' behavior. There is a positive relationship between a consumer's positive attitude towards communication and a positive brand attitude (Hoyer & MacInnis, 2008; Gardner, 1985). It is mostly the affective response to a communication exposure that affects the formation of an attitude (Batra & Ray, 1986; Edell & Burke, 1987) and it is mainly the peripheral processing of information that contributes to the creation of emotional responses and attitudes (Hoyer & MacInnis, 2008).

The brand attitude does in turn affect the consumers' purchase intention, (Hoyer and MacInnis, 2008; Gardner, 1985). The theory of planned behavior also supports the theory that attitudes affect behavior and has been well supported by empirical evidence. It also states that measuring intentions is the best way of predicting future behavior. The stronger the intention is to do something the more likely an individual is to perform that action. Intention and perceived control determines behavior. Perceived control is about the control the consumer has over whether or not an action is possible. In the context of buying a ticket or clicking on a link in an email, the consumers would allow consumers complete control over the situation, thus, since the behavior pose no serious problem of control the actual behavior can be predicted by intentions alone (Ajzen, 1991). Another favorable intention, besides purchase, is intention to word-of-mouth which is defined as the action of orally passing on information to others in terms of recommendations (Söderlund, 2001). This is perceived as an important measure because of the influence it has on consumers' attitude and company positive effect on the brand (e.g. Murray, 1991).

2.2.1.3 Consumer loyalty

Brand attitude, word of mouth, and purchase intention are also measures of loyalty (Yi & Jeong, 2003; Uncles et al., 2003). Loyalty is an important measure and something you want to achieve since it has shown to decrease price sensitivity and induce a greater resistance among consumers for choosing competing brands (Uncles et al., 2003). The idea is that strong attitudinal loyalty makes consumers more resistant to other companies that want to steal them away (Ball et al., 2003). Both types of loyalty have benefits and drawbacks. Ball et al. (2003) argues that attitudinal loyalty gives a more correct estimation of consumer loyalty and that behavioral loyalty might give a distorted picture of the reality since it might as well be habit or convenience masked into strong emotional loyalty. Although, both of the two dimensions are valuable since they are highly connected and complement each other, when measuring loyalty (Oliver, 1997).

A personalized message is a marketing activity that is exposed to consumers, thus affecting their attitudes and behavior towards e-mails (Hoyer & MacInnis, 2008). The presence of personalization has shown to lead to positive attitudes towards the service (e.g. Lee & Cranage, 2011). As an object e-mails should influence the observer in a positive way, making him or her develop an attitude towards e-mail communication. Thus, consumers perceiving a high level of personalization because of a marketing communication should also evaluate the brand higher and show higher levels of word of mouth (also referred to as WOM) and purchase intentions. This leads to the hypothesis;

H2: Consumers viewing marketing communication including personalized (non-personalized) information will have a more (less) positive (a) attitude towards the communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention.

2.2.1.4 Click through rate and purchase rate

As stated earlier, the goal of all marketing communication is in the end, increased profit (Dahlén & Lange, 2008; Levy et al., 2012), this demands that consumers develop a favorable response to the communication. The actual response of importance to companies when working with email marketing communication are primarily conversions in terms of purchases, but other important conversions are click-through-rate. Click-through-rate (CTR) is referred to as the total number of clicks in the email divided by the number of people receiving the email, and conversion rate in terms of purchases is referred to as the number of people making a purchase divided by the

number of people receiving the email. The idea is that these steps in the end will lead to purchase (Stokes, 2013).

It is possible that personalized information could affect consumers' perception and that more people will notice the information to a greater extent because of the unusual, useful and relevant information in the message. Marketing objectives and important measures for companies in the types of e-mail campaigns investigated in this study are click-through rate and purchase rate. Since attitudes have a proven strong positive relationship with behavioral intentions (Hoyer & MacInnis, 2008; Gardner, 1985) we also expect the behavioral intentions and actual behaviors to improve as a positive reaction to the presence of personalization. This leads to the following hypothesis;

H3: Consumers viewing marketing communication including personalized (non-personalized) information will have a higher (lower) conversion rate in terms of (a) Click-through rate and (b) Purchase rate.

2.2.2 Why personalization should lead to positive outcomes

The theory behind why personalization should cause a more satisfactory result is simply because personalized service should be perceived as better service since it takes a consumer's specific needs into account. A greater satisfaction should also lead to an increased loyalty since switching to another company could lead to lower satisfaction, which creates a switching barrier (Ball et al., 2006). Personalization involves learning about the consumer in order to get knowledge regarding their interests and preferences, and by personalizing communication to match the consumers' interests the communication becomes more valuable to them (Arora et al., 2008). Thus, personalization is meaningful to consumers simply because it creates value to them. It leads to companies being better equipped to match consumer preferences, create better products, services, communication and experiences (Arora et al., 2008).

2.2.2.1 Usefulness

The presence of personalization leads to positive attitudes towards the service (Lee & Cranage, 2011) since consumers perceive personalization as more useful. This is because the better fit with the personal information creates more value to them (e.g. Ball et al., 2006). The positive relationship between personalization and intentions to adopt a service has shown to be mediated

by the perceived usefulness of a service. If the consumer feels safe and assured that the company is handling their personal information in a good way, their privacy concern which has negative relationship with the willingness to adopt a service, will be lower. Adapting personalized messages to consumers' needs (Ball et al., 2006) and preferences creates value for the consumers (Arora et al., 2008). Because of the adaption to consumers' preferences and desires the communication should be perceived as more useful to them than the contrary (e.g. Al-alak & Alnawas, 2010). Research has also shown indication that the perceived usefulness should affect attitudinal and behavioral outcomes. One example is the study by Ho and Bodolf (2014), which showed that a service perceived as more useful also creates higher attitudes. The perception of utility is also a large motive behind acceptance of marketing (Merasivo & Raulas, 2004). Personalization can make consumers feel like the company is taking their preferences and needs into account and attribute kindness to the company, which adds psychological comfort to the consumer-company relationship (Vesanen, 2007).

The relationship between personalization and the intention to adopt a service has found to be mediated by the perceived usefulness of the service. Thus we expect that personalized communication should have a positive impact on the perceived usefulness of the communication and that the relationship between personalized communication and purchase intention is mediated by the perceived usefulness, leading to the following hypothesis;

H4: The effect of personalized communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by the consumer's perceived usefulness of the message.

2.2.2.2 Relevance

The perceived relevance of personalization leads to irrelevant and annoying adverts being filtered out and that the needs of the consumer can be met more effectively (West et al., 1999). The relevance of the communication avoids consumers to react to the messages as spam, meaning a higher probability of the consumer actually processing the communication (Vesanen, 2007). This could also more effectively attract consumers' attention and induce more positive responses to the message such as loyalty (Ansari & Mela, 2013).

The presence of personalization leads to positive attitudes towards the service (Lee & Cranage, 2011) because consumers perceive personalization as being more relevant (e.g. Vesanen, 2007),

because of the better fit with the personal information, it creates more value to the consumer (e.g. Ball et al., 2006). By personalizing communication it would be perceived as more relevant (Vesanen, 2007), eliminating irrelevant, and often annoying, adverts (West et al., 1999).

As for the perceived usefulness of the message, because of the same reasons personalized communication should be perceived as more relevant to the consumer than in case s/he had received a non-personalized communication. This is in line with the indication from for example Vesanen (2007). Relevance is closely connected to usefulness and a message perceived as relevant should cause consumers to perceive it as more useful (Youaje & Hoseong, 2003). This leads us to the following hypothesis:

H5: The effect of personalized communication on usefulness is mediated by the consumer's perceived relevance of the message.

2.2.3 Personalization and privacy

Personalization is not only perceived as beneficial, it also requires consumers to disclose their personal information (Culnan & Armstrong, 1999). This causes a problem in consumers' minds. On the one hand they gain benefits in terms of useful offers and services, and on the other they are feeling concerned about the privacy for their personal information (e.g. Sutano et al., 2013). The assumed positive effects of personalization is said to be strongly connected to consumers feeling their privacy may be being invaded. Most studies on personalization have been made in the context of recommendations and product suggestions on e-commerce sites and personalization's' relationship to adopting new technology (e.g. Ho & Bodolf, 2014; Lee & Cranage, 2011; Guo, Zhang, & Sun, 2015). These studies often use information boundary theory (IBT) to demonstrate the the contradictory relationship between the benefit and cost of personalization. The personalization-privacy paradox states that there is a trade-off between the benefits that personalization brings and the negative feeling of intrusiveness that it can generate (eg. Sutano et al., 2013; Culnan & Armstrong, 1999).

Lee and Cranage (2011) investigated the willingness to adopt a website service and found that personalization of a travel website leads to a more positive perception of the benefits of using that website when privacy is assured by the company, and a feeling of lack of privacy assurance leads to increased privacy concerns from consumers. Guo, Zhang and Sun (2015) use the

personalization-privacy approach to explore its role in acceptance of mHealth services and finds that privacy concerns have a negative effect on adoption intention of new technology. They find that the relationship between personalization and adoption intention, and privacy and adoption intention is moderated by trust. Al-alak and Alnawas (2010) investigated the impact of mobile marketing on consumers' attitudes and purchase intentions. They used commercial messages sent out via SMS to examine what effects mobile marketing has on consumer's attitude and purchase intentions. They found that there is a positive relationship between perceived usefulness and purchase intention, and a negative relationship between privacy concern and intention to purchase (ibid.).

2.2.3.1 Definition of privacy

The definition of privacy used in this thesis is "The ability of the individual to control the terms under which personal information is acquired and used" (Awad & Krishnan, 2006). It is about not having to experience actions causing social friction (Solove, 2006) and being able to control the information about one self (Stone et al., 1983). According to Boyd (2010) privacy is about having control over the situation and about understanding the audience and the knowledge of how far information will spread. In other words, privacy is about the collective understanding of a social situation's borders and the knowledge about how to function within them (Boyd, 2010).

2.2.3.2 The concepts of privacy, contextual integrity, and intrusiveness

When content about people are aggregated and redistributed without consent, the privacy of individuals is violated (Boyd, 2010; Barth et al., 2006). This type of violation is comparable to contextual integrity violation or perceived intrusiveness. When a norm has been broken in a specific context, then it can be said that the contextual integrity has been violated (Barth et al. 2006). According to the highly cited article by Barth et al. (2006), contextual integrity is referred to as a "a feature of situations in which the informational norms of a context have been respected". In other words, people's sensitivity to sharing information varies depending on who the person is, what circumstances, and what in kind of situation the communication take place. Barth et al. (2006) further explain that contextual integrity is a part of privacy in terms of the transfer of personal information. It is not a full definition of privacy. However it is a framework for evaluating the flow of information for example between individuals (Barth et al., 2006). When a consumer feels like communication from a company is crossing their private space, they will perceive it as intrusive. Jiang et al. (2013) wrote that, according to Burgoon et al. (1989), perceived intrusiveness is the extent to which individuals perceive unsolicited invasion into their

personal space. The study will focus on investigating contextual integrity violation which we have interpreted to be a synonym to the concept perceived intrusiveness. Perceived intrusiveness is hereafter referred to as intrusiveness. To sum up, in this thesis we have interpreted from theory that intrusiveness lies within the concept of contextual integrity and happens when the individual border of contextual integrity is crossed, and that contextual integrity lies within the concept of privacy. Below follows a simplified illustration of the relationships between the concepts.

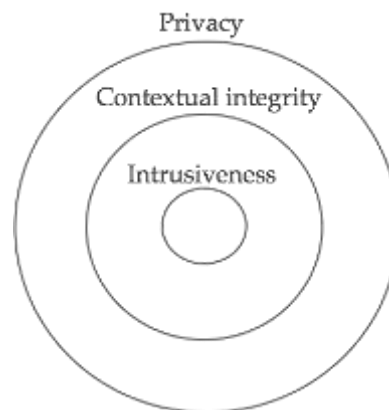


Figure 2.2: Illustration of the privacy concept.

2.2.3.2 Privacy and Big Data

People have been talking about the lack of privacy in all times and privacy concerns are not a new phenomenon (Boyd, 2010). However, there is a difference between the discussion of privacy during the digital age compared to before. This difference is Big Data. When talking about privacy in the digital age, the conversation about data cannot be avoided. It is a fact that privacy is completely intermingled with Big Data, according to Boyd (2010). In addition, the society has entered an era where data is cheap, but making sense of it is expensive (Boyd, 2010).

Data is defined as facts and statistics collected together for reference or analysis (Swan, 2015). The term Big Data has several definitions. The definition we are using in this thesis is “The amount of data just beyond technology's capability to store, manage, and process efficiently.” (Manyika, 2011). Moreover, Big Data is often information about individuals’ lives, their activities, their behaviors, and data that is created through their interactions with others. This phenomenon is a foundation of Facebook, Google, Twitter, and every social media tool out there (Boyd, 2010). A misuse of Big Data could be to use combinations of it and including that information in personalized communication, as an example. This can potentially destabilize social situations and thereby cause intrusiveness (ibid.). In this study Big Data is used when personalizing the marketing communication.

2.2.3.3 Privacy violation and privacy concern

Privacy concerns are not caused simply by the presence of personalization (Lee and Cranage, 2011). The invisible spaces that people form around themselves plays a vital role in how willing they are to disclose information about themselves (Sutanto et al., 2013). People often perceive privacy violation when their expectations are shattered. This normally occurs when someone share something that was not supposed to be shared. People trust other people in order to maintain the commonly understood sense of privacy and they feel betrayed when their friends share things that were not supposed to be shared. Trust is therefore an essential part of privacy (Boyd, 2010).

Privacy violation can take place in one of the four steps: Information collection, information processing, information dissemination or intrusion (Solove, 2006). All these steps are interlinked and have close connections to each other. It is in the intrusion phase that privacy violations become most apparent to consumers. When their daily activities are interrupted by advertising or communication they become aware of the collection and processing of data and might feel invaded upon (Solove, 2006). The problem for companies is that it is hard to know what information is perceived as invading since people are differently willing to disclose different types of information (Petronio, 1991; Stanton & Stam, 2003). Some information of a specific nature are found, by the individual, to be more harmful to disclose than others. Often the conversations about privacy issues are centered on so called “Personally Identifiable Information”, PII in abbreviation. PII is individually identifiable information about an individual like name, surname, physical address, social security number, telephone number, and e-mail for example (Boyd, 2010). This kind of more easily accessed information is often shared in social interactions (ibid) and, is likely to be less of a concern (Petronio, 1991, Sutanto et al., 2013). Purchase behavior is more sensitive information as it reveals information about consumers on a deeper level (Sutanto et al., 2013; Phelps et al., 2000). However the type of information people are most concerned about is “Personally Embarrassing Information” or PEI. This type of information is what most people try to maintain privacy around (Boyd 2010). Information that can be potentially embarrassing and that people are least willing to disclose is information about their health, personal finances and personally identifiable information (Phelps et al., 2000). Although, the trust and privacy concern consumers experience varies with the types of information involved, in which purpose the information is intended to be used and whom the

requesting stakeholders are (Anderson & Agrawal, 2011). With this as background people's travel habits would be placed at the lower level of the scale and not especially embarrassing.

Moreover, privacy cannot be explained in zeros and ones. It is a process that people are influencing and navigating, and the private sphere cannot be clearly defined. The challenge for people is to develop systems and do analyses that balance the tangled ways in which humans are negotiating these systems. It is a fact that the reality is complicated and the pros and cons of this development are intermingled. Figuring out how to balance between privacy and publicity will be a critical challenge of our era. (Boyd, 2010)

2.2.3.4 Trust

Consumers with concern for their privacy issues have a lower willingness to trust the company handling their information which affects their behavioral intention of adopting technology while the perceived personalization means a greater likelihood of trusting the company and adopting the technology (Guo et al., 2015). Thus, trust mediates the direct effects that personalization and privacy concern have on adoption intention of technology. If the consumer trust the company, and believe that the company has his or her best interest in heart, the negative effect on adoption intention of technology will be mediated and, the privacy concerns will not affect adoption intention to such a high degree or not at all. In technology acceptance theory trust is an important factor for adoption intention (Guo et al., 2015) and our belief is that privacy, personalization and trust will have a similar relationship when it comes to personalization of communication messages. This can be explained by the fact that when consumers are dealing with privacy issues, they are conducting a cost-benefit analysis of their sharing of information. People are utilitarian and want to use personalized services, giving out as little information as possible (Lee & Cranage, 2011).

Personalization can work as an indication that the company cares about the consumer which will create consumer trust towards the company handling the consumer's information (Guo, Zhang, & Sun, 2015). Because of the evidences showing the importance of trust for adoption of new

technology (e.g. Guo et al., 2015) we believe that this will also hold true for the effects of personalization on attitudes and behaviors. This leads us to hypothesize the following;

H6: The effect of personalized communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by consumer trust.

2.2.3.5 The personalization-privacy paradox

People are concerned about what happens to their private information (Sutanto et al., 2013) but at the same time, in some cases they find personalization advantageous which might limit the concern they feel for sharing their private information with second parties (Hann et al., 2002). For example, the results from Al-alak and Alnawas study from 2010 indicate that consumers are reluctant to communication that they feel intervenes with their personal space.

Consumers engage in utility maximizing activities (Barnett White et al., 2008). Expectancy theory says that when a consumer is in a situation of deciding if to reveal information about him/herself the consumer engages in a cost-benefit calculation (e.g. Stone & Stone, 1990; Culnan & Armstrong, 1999; Anderson & Agrawal, 2011). Privacy concern represents the cost side and will affect the value of the benefits consumers derive from personalization (Stone et al., 1983). Wireless marketing is an intrusive way of communication (Merasivo & Raulas, 2004). If personalized communication makes the consumer feel observed by the company, reactance will occur (Barnett White et al., 2008). Sensitive information will increase the likelihood of consumers perceiving the communication as intrusive and become concerned for their privacy, this will in turn decrease the trust they feel for the company which is an important factor for a beneficial outcome of personalization (Malhotra et al., 2004). One example of this can be found in a study by Guo, Zhang, and Sun (2015) Who find to mediate the relationship between intrusiveness and adoption of new technology. Xu and Luo (2011) is yet another example of the personalization-privacy paradox. Their research showed that personalization had a positive relationship to the perceived benefit of personalization, and a negative relationship with the perceived risk of their personal information.

Based on the information presented in this section, we hypothesize that, as for adoption intention of personalized technology we believe that trust will mediate the effects that intrusiveness has on purchase intention leading to the following hypothesis.

H7: The effect of personalized communication on trust is mediated by perceived intrusiveness.

2.2.4 Summary of hypotheses

The different hypotheses will be tested in two different studies, which will be further explained in section 3.3. Study 1: The Scenario study, will investigate the relationship between personalization and attitudes and behavioral intentions and the different mediating factors by testing H1a-H2d and H4a-H7. Study 2: The campaign study will test the personalization effect on actual behavior, trying to answer hypotheses H1a-H1b and H3a-H3b. The figures and table below summarizes the hypotheses.

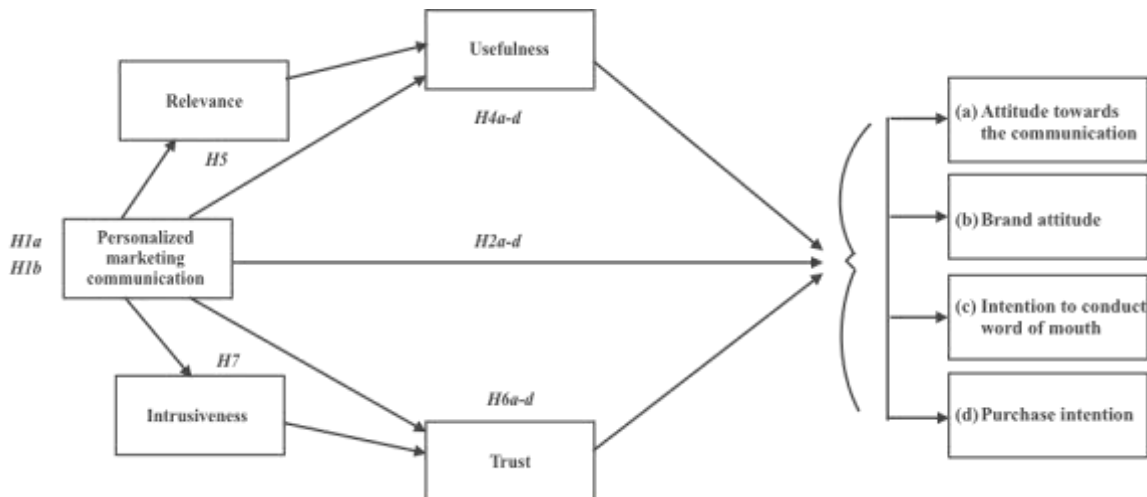


Figure 2.3: Model 1: Illustration of hypotheses H1a-H2d and H4a-H7.

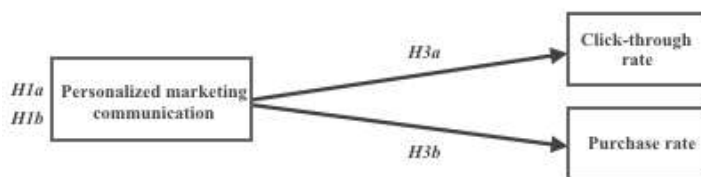


Figure 2.4: Model 2: Illustration of hypotheses H1a-b and H3a-b.

HYPOTHESES	
PERSONALIZATION	<i>H1a: Consumers exposed to marketing communication including different types of information will perceive personalization at different levels.</i>
	<i>H1b: Consumers exposed to marketing communication with personalized (non-personalized) information will experience a higher (lower) level of personalization.</i>
EFFECTS OF PERSONALIZED COMMUNICATION	<i>H2: Consumers viewing marketing communication including personalized (non-personalized) information will have a more (less) positive (a) attitude towards the communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention.</i>
	<i>H3: Consumers viewing marketing communication including personalized (non-personalized) information will have a higher (lower) conversion rate in terms of (a) click-through rate, and (b) purchase rate.</i>
MEDIATING EFFECTS OF THE RELATIONSHIP BETWEEN PERSONALIZATION AND ATTITUDE AND BEHAVIOR	<i>H4: The effect of personalized marketing communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by the consumer's perceived usefulness of the message.</i>
	<i>H5: The effect of personalized marketing communication on usefulness is mediated by the consumer's perceived relevance of the message.</i>
	<i>H6: The effect of personalized marketing communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by consumer trust.</i>
	<i>H7: The effect of personalized marketing communication on trust is mediated by perceived intrusiveness.</i>

Table 2.1: Summary of hypotheses.

3. Methodology

In this section the chosen methodology of this thesis is described and clarification of important choices are made. The method chapter is divided into the following sections; Initial work, The choice of methodology, Research design, Collection of information, Analytical tools and statistical tests, and quality of data.

3.1 Initial work

After concluding a research gap, to get a better idea of SJ's organization, how companies work with personalization and what the process looks like, 12 interviews were conducted with people from SJ's Customer insights and CRM department (See appendix 8.1 for names and titles). For the same reason, two workshops on the subject of personalization with SJ's loyalty management firm, Kaplan, was attended.

What was realized from the initial work was that SJ had started to work with personalization and had seen positive tendencies but that there was a lack of knowledge of what the best way to conduct personalization was, what information should be used and how consumers' personal integrity was affected. SJ had a system making it possible to personalize communication but they had not yet done it to the extent possible. The system made it possible to conduct a realistic investigation of the questions they needed help with and we found made up a theoretical gap.

3.2 The choice of methodology

The methodology approach of this thesis is deductive, which means that the expectations have been created with collected information that has later been compared with collected empirics to see if the results correspond to previous research. The individual's' motive and behavior is studied independently of the social setting, thus the approach is also individualistic (Jacobsen et al., 2002). The study includes three sub studies with varying approaches. Since a lot of companies communicate with their consumers via e-mail the studies focuses on e-mail as primary communication form. In addition SJ use this channel as their primary channel for communication.

The study consists of a mixed qualitative and quantitative pre-study and two quantitative experimental survey studies. The two main studies are extensive and thereby quantitative. They contain data that can be described in numbers, volume, and size. The two surveys will be

described in section 3.3 under the scales and measurements section for each study. When there is extensive research of a specific topic a quantitative approach is the most suitable according to Söderlund (2016). However, the privacy aspect of what train travellers perceived as intrusive was under researched and thereby we conducted a partly qualitative pre-study to gain a deeper understanding of this aspect. Furthermore, we chose to conduct two experiments since it is the most optimal if the goal is to show relationships between cause and effect (Söderlund, 2010; Jacobsen et al., 2002).

We chose to collaborate with SJ because the partnership enabled us to get access to data and panel respondents that we would not have otherwise. Today SJ mainly communicate with their consumers through e-mails and they have recently started to personalize their communications to a larger extent. SJ has approximately 1 million members in their loyalty program (Hovbrandt, 2016), i.e. 10,4 percent of the entire Swedish population. Since companies are only allowed to save information about their active members, the high number of registered members makes them a good fit for examining the topic at hand. SJ's target group is broad, and the potential respondents are close to be seen as representing the Swedish population. This facilitates the generalizability of the study and thereby makes the implication more suitable to apply within the transportation industry. There was a mutual interest in doing more research in the area of personalization, which also made SJ a great company to work with.

3.3 Research design

The research design of all three studies is described in this section, one pre-study and two main studies. Moreover, since the pre-study is not included the main studies, the results of the pre-study are described in this section. However, the analysis and results of the two main studies can be found in the parts 4 and 6 after the method part. The scales and measurements of the two main studies are also included in this section.

3.3.1 Pre-study

The purpose of the pre-study was to gain deeper knowledge of what types of communication is perceived as intrusive to travellers and how personal they perceive different types of information elements in communication. Questions were asked in order to get a deeper understanding of what travellers view of communication that are interfering with their private sphere. The study was conducted on a train between Stockholm and Gothenburg the 11th of mars 2016. The respondents

were train travellers between 18-73 years old. 95 people were asked to participate and 70 respondents agreed to participate. Respondents were chosen through a random sample (Bryman & Bell, 2011). Every fourth passenger was asked to participate in the study in order to avoid biases in the characteristics of the respondents. The respondents were first asked to read one of 10 scenarios and then asked to answer 17 standardized questions with follow up questions. Some of the questions used in the pre-study were also used in the first main study. These questions are described in section 3.3.2.1 in this chapter. The qualitative questions were: “How do you perceive this message?”, “Is it something special you are noticing in the message?”, “How would you describe a marketing message from a company that would intrude on your personal space?”, and “What should a marketing message from a company not include”. The scenarios used in the first main study were based on some of the scenarios used in the pre-study. Therefore, examples of what some of the scenarios in the pre-study looked like are described in appendix 8.2. There were 7 respondents for each scenario in the pre-study.

3.3.1.1 Interview technique

The qualitative interviews have partly been based on Trost’s (2010) idea of asking questions that are straightforward and easy to understand. They gave extensive and sometimes complicated answers. This is in line with the description of a qualitative study as a collection of deep information of a specific topic (Bryman & Bell, 2011). According to Trost (2010) the interviewee in a qualitative study should be heterogeneous within the given homogeneity. To satisfy this criterion in the pre-study the interviewees were all Swedish-speaking train travellers with varying ages and gender. The analysis of the qualitative questions was conducted through investigating what each interviewee meant or how he or she felt. Through this method the purpose was to see the reality through the interviewee's perspective (Trost, 2010). The qualitative questions had a high level of standardization, since it was about one specific topic, and a low level of structure, since there were no alternative answers to those questions, which is typical for qualitative interviews according to Trost (2010). The results of this study were used as basis for the Scenario study. The quantitative results were used to control for trends in differences between the different scenarios and their perceived personalization. The qualitative results were used to better understand what information consumers felt were intrusive and violating to their personal space.

3.3.1.2 Results from the pre-study

The pre-study exhibited that the level of how personal one perceives a message from an organization is unique to a great extent. However, obvious common denominators of what are

considered as intrusive of the people interviewed were when violating legal rules like misleading information, untruthfulness, dishonesty, discriminating against different ethnicity groups, medical history etc. Many participants also mentioned that communication should not contain personal information such as: social security number, information about personal relationships of friends and family, personal opinions, habits, bet of money, employer, cell phone number, income, offer of things that the company should not know that they prefer (such as sexual preferences), and communication that can be perceived negatively. Less obvious findings and also the main points from the pre-study are described in the text below.

Respondents said that intrusiveness often appears when marketing communication contains offers that is based on information that the organization has collected without approval from the consumer. Like what they use to eat for breakfast or which way they use to go by train, for example. Some consumers also strongly disliked that the company send offers to them of their most bought goods, but they partly liked to get the offer and thought of it like a tradeoff between privacy and utility in consistence with previous research. They said it was common to get such communication from grocery stores. In addition some people also mentioned that they felt intrusion when receiving communication where the company interpret information and adding assumptions in it. A respondent said that if a train company send a message that said “your favorite route is from Stockholm to Luleå” could be wrong, since the consumer may had to travel that route, which the consumer may dislike.

Respondents felt like their private space had been intruded when communication from organizations contained interpretations about their preferences. These people did not like communication that made them feel like the organization was watching over them. People also said that they did not like communication that captures them in the present moment. Like if they were clicking on a link and they received an e-mail of something relating to that topic within a few minutes after they clicked on the link. A person expressed that it is not okay to instantly get direct marketing after a specific behavior. A few participants also said that they thought it was a bit unpleasant to get communication from organizations of offers that they needed, but before they had realized the need themselves.

A few participants that were more sensitive also mentioned that communication from the organization shall not contain anything besides the types of services or products the organization already offers and the information that the person already has knowingly given to the

organization. Some people also mentioned that communication should not contain anything about who the person is, e.g. age or where they work. Furthermore, a couple of people felt intruded upon when company used their first name. However most people said they were neutral to that. Some people said that the mention of their name affected them in a positive way.

To conclude, the main points we used for developing the messages for the first study were that intrusiveness often is present when people receive information they have not actively asked for and that the company had stored information without the consumer's consent. Additionally they felt intrusion when companies trace their behavior and when they receive market communication right after they have been clicking on a link. We also use the fact that some consumer felt their private sphere was crossed when companies used their name in market communication.

3.3.2 Study 1: The Scenario study

The objective with the scenario study was to get an understanding for if and what effects personalization have on attitudes and behaviors, and what the relationship looks like between personalization and privacy. This study was conducted as an experiment consisting of six different scenarios followed by a questionnaire. The first scenario (S0) did not include any types of personalized information, scenario 1 (S1) included respondent name, scenario 2 (S2) included information about respondent's most travelled distance, scenario 3 (S3) was based on respondent's previous click-behavior, scenario 4 (S4) included information about respondents accumulated travelled kilometers, the hometown, and most travelled distance. Scenario 5 (S5) communicated that the company knew the point in time when the respondent had clicked on a link in an email, and the respondent's interest for festivals. The different scenarios were chosen and modified based on the results from the pre-study and the respondents were asked to read a Scenario and imagine that they were experiencing a specific situation and received an email from a train company. The scenario consisted of information and a description of what the respondents were supposed to pretend they were like, followed by a fictive e-mail message (See appendix 8.2). All information except the personal information in the fictive e-mail were aimed at being as similar as possible but with certain modifications to match the information in the e-mails.

The study was sent out to Swedish speaking people from 18 to 75 years old representing the Swedish population and are matched the main consumer base of SJ. The age was chosen because it is not allowed to target people under 18 through the panel, and people over 75 are less likely to book tickets online and use e-mail services (SCB, 2015). The main part of the answers was

collected through a consumer panel with the help of a company called Cint and in collaboration with SJ. The respondents received a small payment as motivation for participating in the survey. To increase the response rate we also used a random convenience sample (Bryman & Bell, 2011) and shared the survey on Facebook. This was because of a restricted budget. However, using different samples was not a problem since the results between the sample groups showed no significant differences. Out of the 723 respondents participating in the study 136 respondents failed to answer correctly to the control question. These were assumed to not having perceived the information in the message and were thus not included in the analysis. After removing the invalid answers the total number of respondents included in the analysis was 587 with ages ranging between 18 and 75. The distribution between the two groups was 15 percent from the convenience sample and 84 percent from the panel. The ages were also distributed relatively similar between the different scenario-groups. Analysis and results of this study can be found in the following chapter, in part 4.

3.3.2.1 Scales and measurements for study 1: The Scenario study

Below, there is a description of scales and measurement used in study 1. The questions are divided into subheadings and presented by topic. All questions except those for relevance were made into indexes. Before computing for new measures, the questions were controlled for Cronbach's alpha. All Indexes showed a Cronbach's alpha higher than 0.854.

Personalization

To assess whether or not the manipulation had succeeded the following question was asked; To what extent do you agree with the following statements? Followed by the three questions; 1) *The message is adapted to you specifically as the receiver*, 2) *The message is based on your preferences*, and 3) *The message builds on information about you*. A likert scale scored on a 7-point scale was used for assessing personalization, where 1 equaled do not agree at all and 7 equaled totally agree. Similar questions can be found in Guo, Zhang and Sun, (2015).

Attitudes

Two types of attitudes were measured, attitude towards the communication and brand attitude. A semantic differential scale scored on a 7-point scale was used for measuring *attitude towards the communication*. The following question was used: What is your attitude towards the message in the mail from The Train Company? And the three adjective pairs used was:

1. Dislike it/Like it
2. Negative/Positive
3. Very bad/Very good

Brand attitude was also measured using a semantic differential scale scored on a 7-point scale. The question: *What is your attitude towards The Train Company?* Was used followed by the three adjective pairs:

4. Dislike it/Like it
5. Negative/Positive
6. Very bad/Very good

Other examples of these types of measurement items appear in for example Söderlund and Lange (2006) and Holbrook & Batra (1987).

Behavioral intentions

Two items was used for measuring behavior; word-of-mouth and purchase intention. *WOM* was measured by asking the question; *How likely is it that you will act in the following ways?* Followed by the two statements; 1) ...You will recommend The Train Company to people you know, and 2) ... You will talk about the message to people you know. The answers were measured on a 7-point likert scale where 1 equaled not likely at all and 7 equaled very likely.

Purchase intention was measured by asking; *How interested are you in the offer in the message?* This was followed by the three statements; 1) I want to try out the offer, 2) I'm interested in buying the offer, and 3) I want to use the offer. A 7-point likert scale where 1 equaled does not agree at all and 7 equaled totally agree was used.

Perceived usefulness

Usefulness was measured by asking; *To what extent do you agree with the following statements?* Followed by the three statements; 1) The message is useful to me, 2) The message is favorable, and 3) The benefits of the message is larger than the drawbacks. A 7-point likert scale was used, where 1 equaled do not agree at all and 7 equaled totally agree. Similar measurements can be found in Ho & Bodolf (2014).

Perceived relevance

Perceived relevance was measured by asking the question; *How relevant do you think that the message is?* It was measured on a 7-point likert scale where 1 equaled not relevant at all and 7 equaled very relevant.

Intrusiveness

Intrusiveness was measured by asking the question; *To what extent do you agree with the following statements?* The three statements were; 1) I perceive the message to be intrusive, 2) I perceive the message to be uncomfortable, and 3) The message tells me that the company knows more about me than i feel comfortable with. It was measured on a 7-point likert scale where 1 equaled do not agree at all and 7 totally agree. Similar measures can be found in Li and Lee (2002).

Trust

Trust was measured by asking the question; *To what extent do you agree with the following statements?* And then presenting the three statements; 1) The Train Company is honest in the way it handles my information, 2) I would characterize The Train Company as honest, and 3) I fully trust The Train Company. The question was measured on a 7-point likert scale where 1 equaled do not agree at all and 7 totally agree. Similar measures can be found in Ball et al. (2003).

Control variable

A control question was asked in the end of the survey to control if respondents had perceived the information in the scenario they were assigned. The question asked was; *What information was stated in the e-mail (the bolded message) you received from “The Train Company”, choose the alternative you perceive as the best match.* This was followed by 6 different alternatives;

1. No personal information was included in the message
2. Your name
3. Your interest in the festival Way Out West
4. Your name, number of travelled kilometers, your hometown and most travelled distance.
5. Your name, the point in time you read about Way Out West and your interest in festivals.
6. One of your most frequently travelled distances.

3.3.3 Study 2: Campaign study

The objective of the campaign study was to complement the Scenario study and test the behavioral effect of personalized messages in a real live setting. We wanted to investigate if there would be significant differences between personalized groups when the consumers had the opportunity to buy a real offer and when different elements were combined together. For this study we tried another strategy for creating the messages in order to achieve different degrees of

personalization. Since we did not see any difference in the fictional study we tried to increase the level of perceived personalization by having different number of elements (such as name or their most frequent trip) in the various message.

The personalized messages used in study 1 were modified to fit the offer that was sent out to the SJ Prio (SJ's loyalty program) members. This was made in collaboration with SJ's marketing department and SJ's consultants from the loyalty management firm, Kaplan. A real campaign offer was sent out to 25423 members of SJ Prio through e-mails. The offer was fixed but the communication differed between the five target groups it was sent out to (see appendix 8.3). Besides one control group, 4 different commercial messages including different personal information were assigned to the consumers based on their previous purchases and behaviors. The control group, Message 0 (M0), included no personalized information, Message 1 (M1) included respondent's name, Message 2 (M2) included respondent's name and information about a distance they had travelled more than 8 times, Message 3 (M3) included respondent's name and was based on their previous click-behavior, and Message 4 (M4) included respondent's name, total aggregated kilometers travelled, and most travelled distance. In addition to the campaign there was a link to a survey with questions to control for personalization. To motivate the consumers to take part in the survey they were offered points that they could use in the loyalty program. 1874 respondents completed the survey in the e-mails. The sales statistics and thereby the behavior of the members were also collected and analyzed. Analysis and results of this study can be found in part 6 of this thesis.

3.3.3.1 Scales and measurements for study 2: The campaign study

Below, the scales and measurement used in study 2 are described. The questions are divided into subheadings and presented by topic.

Personalization

As a result of requests from SJ, the questions measuring perceived personalization, was slightly adapted. The following question was asked; To what extent do you agree with the following statements? Followed by the three questions; 1) The message is adapted to you specifically as the receiver, 2) The message is adapted to your needs, and 3) The message builds on information about you. A likert scale scored on a 7-point scale was used for assessing personalization, where 1 equaled do not agree at all and 7 equaled totally agree. Similar questions can be found in Guo, Zhang, and Sun (2015).

Click-through rate

For measuring click-through rate, actual sales and behavioral data registered by SJ was used. The data was registered as dichotomous variables scored as 1 = did not click on link in email, and 2 = clicked on link in e-mail, for measuring click-through rate.

Purchase rate

Two types of purchase measurements were used in the analysis; 1) Purchases made with the campaign code valid for travels on April 23, and 2) Purchases made between April 13-23. The dates are based on the period during which the offer was valid. Both measures was dichotomous variables based on registered data by SJ (scored as 1= did not buy, 2 = bought).

3.4 Collection of information

Besides the primary sources such as interviews and our own empirical data collection, information from secondary sources was collected from well known journals. Additionally, we used national reports, and from books about qualitative and quantitative methods. Furthermore, statistics and reports from SJ, news sites, blogs, magazines, and various e-sources were also used.

3.5 Analytical tools and statistical tests

3.5.1 Analytical tools

The program Excel by Microsoft was used for arranging and cleaning up the data, and coding the randomized scenarios accordingly. The statistical program SPSS by IBM was used to perform the different tests and analyze the collected data.

3.5.2 Statistical tests

Reliability test and Cronbach's alpha

Reliability tests were conducted to control for cronbach's alpha before they were computed into indexes. All indexes indicated a Cronbach's alpha higher than 0.854.

One-way ANOVA

One way ANOVA:s with 95 percent confidence level were used to control for mean differences when there were more than two groups involved.

Independent sample T-test

Independent sample T-tests with confidence level of 95 percent were used when testing for mean differences between two groups.

Mediation test

Mediation tests with the Preacher-Hayes approach developed by Hayes (2013) were used to investigate the proposed direct and indirect effects. Bootstrap samples were conducted with 5000 bootstrap and 95 percent confidence level as recommended by Hayes (2013).

3.6 Quality of data

The purpose of the description of method of the interviews and the surveys intends to show that the collected data is relevant and accurate. In accordance with the method of Trost (2010) the interviews should be held such as the collected information become credible, adequate, and relevant. The credibility in the study is partly based on that the analysis in the thesis is reasonable and easy to follow. The goal is to be as open as possible for different interpretations of the material. We have both done analysis independently to see if we have similar interpretations of the collected data.

3.6.1 Reliability

According Bryman & Bell (2011) the level of reliability has to do with how well the study can be replicated with similar method. Seen from a statistical perspective, a high level of reliability means that the method is stable and not affected of influences caused by chance (Trost, 2001). To do the experiments several times is a way to increase the level of reliability according to Trost (2001). The time limit was a constraint and we chose not to do the study more than one time. However, the two main studies was constructed in a way in order to strengthen the result of the study since they both tested the effect of personalized messages. The reliability level is also increased by the fact that several similar question are used to measure the same factor in several ways, which can be seen as several measurements in the same study (Jacobsen et al., 2002). In a survey study congruence is of high importance (Jacobsen et al., 2002), and therefore the scenarios have been as similar as possible. A departure from congruence and a totally standardized study was made since the setting and the environment when the participants answered the survey through their device, was not controlled for. Reliability is a prerequisite for validity.

3.6.2 Validity

In order to get a high validity we used well-established sources to develop our questions. This was in order to make sure that the questions actually measured what they were supposed to measure and made it possible for us to draw valid conclusions (Jacobsen et al., 2002; Söderlund, 2005). To achieve a high level of validity the questions should be constructed such as they measure the actual phenomenon under investigation, and they should also show that theory and/or theoretical concepts have been used. The surveys were discussed thoroughly to confirm that they were covering questions of measurement on the phenomenon that was meant to be investigated and the choice of questions were based on theory. Through comparison of the results with previous research, the results were strengthened which also generates a high internal validity (Jacobsen et al., 2002).

3.6.2.1 External validity

External validity is whether an individual case is representative and leads to discoveries that can be applied more generally to other cases outside the study where they were found (Bryman & Bell, 2011). This study's result could be applied in a more general context, of how other transportation companies could enhance their communication to their consumers for example. The results could also be applied to companies and industries using information about consumers, similar to the information used in this study.

3.6.2.2 Internal validity

Internal validity is the level of which the study complies with the reality (Thunman & Wiedersheim-Paul, 2003). In the experiments literature does validity mean that it is the treatment that explains the participant's reactions (Söderlund, 2010). Through this study it was possible to compare messages with small modifications and similar scenarios. The information in the different scenarios in the experiments was kept as similar as possible. Only the specific personal information used was manipulated. By doing this we were able to keep a high internal validity. For example there were two scenarios, which were exactly the same besides one message contained the person's name in the scenario, and the other did not. Then the name is the only difference in that case and could therefore be assumed to be the cause of the different reactions, which increases the validity (Anderson & Bushman, 1997).

The problem with an event occurs between pre-study, treatment, and after measurement that would influence the answers is avoided since the same respondent is only encountered with the treatment one time. That something other has happened and affected the respondents between treatment and measurement is unlikely, since the scenario is the first thing the respondents see in the survey directly followed by the questions, which strengthens the internal validity (Söderlund, 2010). In addition, randomized assigned scenarios to respondents were used to avoid the sample effect, which could imply a risk of participants already being in different groups from start (Söderlund, 2010).

4. Study 1: The Scenario Study

The first study tests hypotheses H1a-H2a and H4a-H7. This chapter is divided in two sections. The first section present the results and analyses made in order to answer the hypothesis. In the second section a discussion of the results can be found.

4.1 Analysis and results for study 1: The Scenario study

The analysis section starts with test for establishing the success of the experiment manipulation. Thereafter the effects of personalized communication are analyzed. In the last section the mediating roles of usefulness, relevance, trust and integrity is investigated.

4.1.1 Personalized communication

H1a hypothesized that consumers exposed to marketing communication including different types of information will perceive personalization at different levels. To control for the success of the experiment manipulation a one-way ANOVA was conducted using the scenario variable as factor and personalization as dependent factor. Scenario 0 (S0) was the scenario without personal communication, scenario 1 (S1) included respondent name, scenario 2 (S2) included information about respondent's most travelled distance, scenario 3 (S3) was based on respondent's previous click-behavior, scenario 4 (S4) included information about respondents accumulated travelled kilometers, the hometown, and most travelled distance, and scenario 5 (S5) communicated that the company knew the point in time when the respondent had clicked on a link in an email, and the respondent's interest for festivals. No significant differences in perceived personalization was found between scenario 1 to 5 (See Table 4.1) indicating that the information used in the different scenarios do not cause different levels of perceived personalization. Thus *H1a was not supported*.

SCENARIO	Mean	MEAN DIFFERENCE					
		S0	S1	S2	S3	S4	S5
S0	3,72	-	1.88**	2.23**	1.67**	1.92**	1.71**
S1	5,60		-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
S2	5,95			-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
S3	5,39				-	<i>n.a</i>	<i>n.a</i>
S4	5,64					-	<i>n.a</i>
S5	5,43						-

Table 4.1: Mean differences in personalization between the different scenarios

$p < 0.05 = *$

$p < 0.01 = **$

However, $S0$ showed significant lower results ($S0=3.72$; $p < 0.01$) compared to all other scenarios. Because of the unsuccessful manipulation, scenario 1 to 5 was made into one single group for usage in the rest of the analysis. The manipulated group with expected higher perceived personalization is further on referred to as PG (Personalized group) and the control group without manipulation is further on referred to as NPG (non-personalized group).

To control for differences in perceived personalization between the two new groups an independent sample t-test was conducted with the grouped scenario variable (scored 1 = NPG, 2 = GP) as grouping variable. The test showed significant differences in perceived personalization between the two groups ($M_{NPG} = 3.7196$, $M_{PG} = 5.6042$, $t(95) = -10.09$, $p < 0.01$). The group exposed to messages including personal information perceived the communication as more personalized than the group that had elaborated the messages without personalization treatment, which meant that *H1b suggesting that Consumers exposed to marketing communication with personalized (non-personalized) information will experience a higher (lower) level of personalization, was supported.*

SCENARIO	NPG (N = 107)	PG (N = 480)	Mean difference
MEAN	3.72	5.6	1.88**

Table 4.2: Mean difference in perceived personalization between non personalized communication and personalized communication.

$p < 0.05 = *$

$p < 0.01 = **$

4.1.2 Effects of personalized communication

Hypotheses H2a-H2d suggests that Consumers viewing marketing communication including personalized (non-personalized) information will have a more (less) positive (a) attitude towards the communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention. In order to test these hypotheses four independent sample t-tests was conducted separately.

Attitude towards communication

For H2a an independent sample t-test with the scenario variable (non-personalized, personalized) as grouping variable and attitude towards communication as test variable was conducted. The personalized group showed a higher positive attitude than the non-personalized group ($M_{NPG} = 4.67$, $M_{PG} = 5.22$; $t(95) = -3.14$, $p < 0.01$) indicating that people exposed to personalized

communication form a more positive attitude towards the communication compared to those who was not, thus supporting H2a.

Brand attitude

For H2b an independent sample t-test with the scenario variable (non-personalized, personalized) as grouping variable and brand attitude as test variable was conducted. The group exposed to personalized communication showed a more positive attitude towards the brand than did the group exposed to non-personalized communication ($M_{NPG} = 4.68$, $M_{PG} = 5.28$; $t(95) = -3.80$, $p < 0.01$) indicating that people exposed to personalized communication form a more positive brand attitude. Thus H2b was supported.

Word of mouth

For H2c an independent sample t-test with the scenario variable (non-personalized, personalized) as grouping variable and WOM as test variable, was conducted. The test indicated that the group exposed to personalized communication had a greater intention of conducting WOM than the non-personalized group ($M_{NPG} = 4.68$, $M_{PG} = 5.28$, $t(95) = -4.047$, $p < 0.01$), indicating that people exposed to personalized communication form a stronger willingness to conduct WOM, thus H2c was supported.

Purchase intention

Again, for H2d an independent sample t-test with the scenario variable (non-personalized, personalized) as grouping variable and purchase intention as test variable was conducted. The personalized group reported a higher level of purchase intention than the non-personalized group ($M_{NPG} = 3.87$, $M_{PG} = 5.40$, $t(95) = -6.956$, $p < 0.01$) indicating that people exposed to personalized communication form a stronger willingness to make use the offer given to them in the e-mail. Thus, H2d was also supported.

VARIABLE	Mean NPG (N = 107)	Mean PG (N = 480)	Mean difference
Attitude towards communication	4.67	5.22	0.55**
Brand attitude	4.68	5.28	0.60**
Intention to WOM	4.2	4.87	0.67**
Purchase intention	3.87	5.4	1.53**

Table 4.3: Mean and mean differences between non-personalized and personalized communication.

$p < 0.05 = *$

$p < 0.01 = **$

4.1.3 Mediation effects

It is hypothesized by H4a-H7 that the perceived usefulness and relevance of communication, trust for the company, and the perceived intrusiveness affects the relationship between perceived personalization and consumer attitudes and behaviors. First tests for mean differences were conducted for all factors included in the mediation test that had not been tested in H2a-H2b. Then, in order to gain a deeper understanding of the relationships between personalization and attitudinal and behavioral outcomes, several mediation tests with the Preacher-Hayes approach were performed separately. First, the results of usefulness as mediator is presented, thereafter the results for relevance is explained. Thirdly are the results for trust as a mediator and last in the section comes intrusiveness. Before analyzing for mediation, multiple regressions were made in order to control that the conditions of X predicting M and Y, and M predicting Y were held true.

4.1.3.1 Tests for mean differences

Before testing for their mediating role, independent sample t-tests was separately conducted with usefulness, relevance, trust, and intrusiveness as test variables to conclude that there was a mean difference between the two groups (non-personalized, personalized). The tests showed that the personalized group generated higher means than the non-personalized group on all variables. The personalized group perceived the communication as more useful ($M_{NPG} = 4.37$, $M_{PG} = 5.54$; $t(95) = -6.64$, $p < 0.01$), more relevant ($M_{NPG} = 3.98$, $M_{PG} = 5.62$; $t(95) = -8.55$, $p < 0.01$), had a higher trust for the company ($M_{NPG} = 3.5$, $M_{PG} = 3.71$; $t(95) = -3.60$, $p < 0.01$), and felt that the message was more intruding ($M_{NPG} = 2.90$, $M_{PG} = 3.26$; $t(95) = -2.02$, $p < 0.05$).

VARIABLE	Mean NPG (N = 107)	Mean PG (N = 480)	Mean difference
Usefulness	4.37	5.54	1.17**
Relevance	3.98	5.62	1.64**
Trust	4.14	4.68	0.54**
Intrusiveness	2.9	3.26	0.36*

Table 4.4: Mean and mean differences between non-personalized and personalized communication.

$p < 0.05 = *$

$p < 0.01 = **$

4.1.3.2 The mediating effect of usefulness

The following section investigates what role usefulness plays in explaining the relationship between personalized marketing communication and the dependent variables of attitudes and behaviors. H4a-H4d suggests that the effect of personalized marketing communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by the consumer's perceived usefulness of the message. In order to answer hypotheses H4a-H4d, four mediation analyses with the Preacher-Hayes approach were performed separately. All mediations were performed using a Preacher-Hayes approach. The independent variable, was a dichotomous variable indicating what stimulus the participant had been exposed to (scored as 1 = non-personalized communication, 2 = personalized communication), and the mediation variable used was usefulness. Only the dependent variable differs between the tests. In figure 4.1 is an illustration of the variables and their relationships in the tests that were performed.

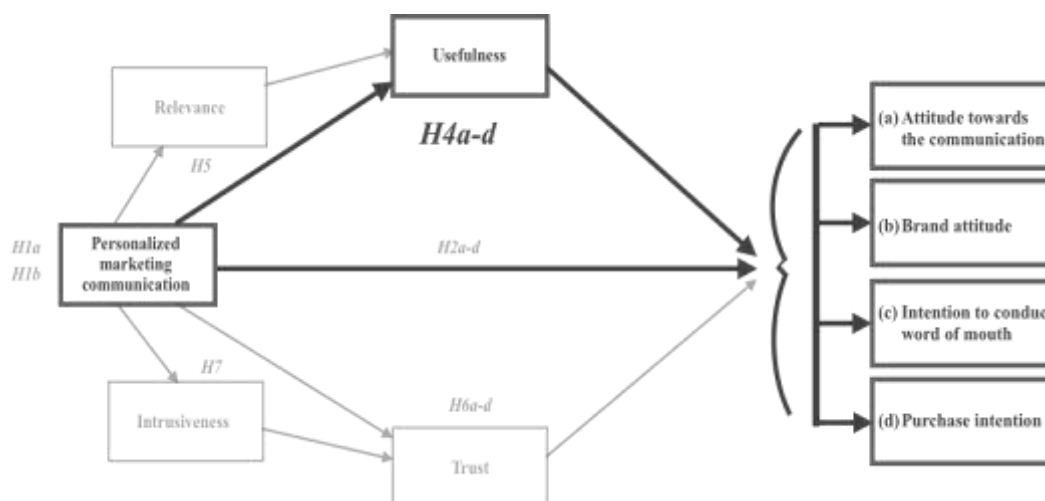


Figure 4.1: Illustration of the variables and relationships included in the mediation test of usefulness.

Mediation effect on attitude towards communication

To test H4a a mediation test using the Preacher-Hayes approach was conducted using attitude towards communication as the dependent variable. The test showed a significant negative direct effect of -0.3313 ($p < 0.05$) and a significant positive indirect effect of 0.8806 (5000 bootstrap samples, 95 percent CI limits 0.6129 - 1.1444), indicating a competitive mediation (Zaho et al., 2010). Personalized communication in itself has negative effects on the attitude towards communication but the indirect effect of perceived usefulness is great enough to cause an overall

positive effect on consumer attitude towards the communication. Because trust mediates the relationship, *H4a was thus supported.*

Mediation effect on brand attitude

To test H4b a mediation test using the Preacher-Hayes approach was conducted using brand attitude as the dependent variable. The test showed an indirect only mediation (Zhao et al., 2010), since only an indirect effect of 0.7874 (5000 bootstrap samples, 95 percent CI limits 0.5498 - 1.0352) could be found. This indicates that when usefulness is present, the relationship between personalization and brand attitude is completely explained by usefulness, meaning that *H4b was supported.*

Mediation effect on WOM

To test H4c a mediation test using the Preacher-Hayes approach was conducted using WOM as the dependent variable. The results showed an indirect-only mediation. No significant direct effect was found although there was a strong indirect effect of 0.7546 (5000 bootstrap samples, 95 percent CI limits 0.5226 - 0.9942). This indicates that consumer intention to conduct WOM is completely explained through trust causing an indirect-only mediation (Zhao et al., 2010). Thus *H4c was supported.*

Mediation effect on purchase intention

Hypothesis H4d suggests that the positive relationship between perceived personalization and purchase intention is mediated by usefulness. A mediation test using the Preacher-Hayes approach was conducted using purchase intention as the dependent variable. The results showed a significant direct effect of 0.4484 ($p < 0.01$) and an indirect effect of 1.0759 (5000 bootstrap samples, 95 percent CI limits 0.7710 - 1.4020). This means that the relationship is complementary mediated (Zhao et al., 2010) and indicates that although there was a direct effect of personalization on purchase intention, the effect of purchase intention is mediated by usefulness. Thus *H4d was supported.*

4.1.3.3 The mediating effect of relevance

It is expected of H5 that personalized marketing communication should be perceived as more relevant and that the perceived relevance should lead to a higher level of perceived usefulness. To test this hypothesis a mediation test using the Preacher-Hayes approach was conducted using a dichotomous variable as the independent variable, indicating what stimulus the participant had been exposed to (scored as 1 = non-personalized communication and 2 = personalized

communication), the mediation variable was relevance and the dependent variable was usefulness. The relationship tested is illustrated in bold in figure 4.2 below. The results showed that the relationship between personalization and the perceived usefulness of communication was completely mediated by relevance with an indirect effect of 1.2259 (5000 bootstrap samples, 95 percent CI limits 0.9469 - 1.5355). No significant direct effect was found. The indirect-only mediation (Zhao et al., 2010) indicates that personalization works through relevance and cause marketing communication to be perceived as more useful, thus *H5 was supported*.

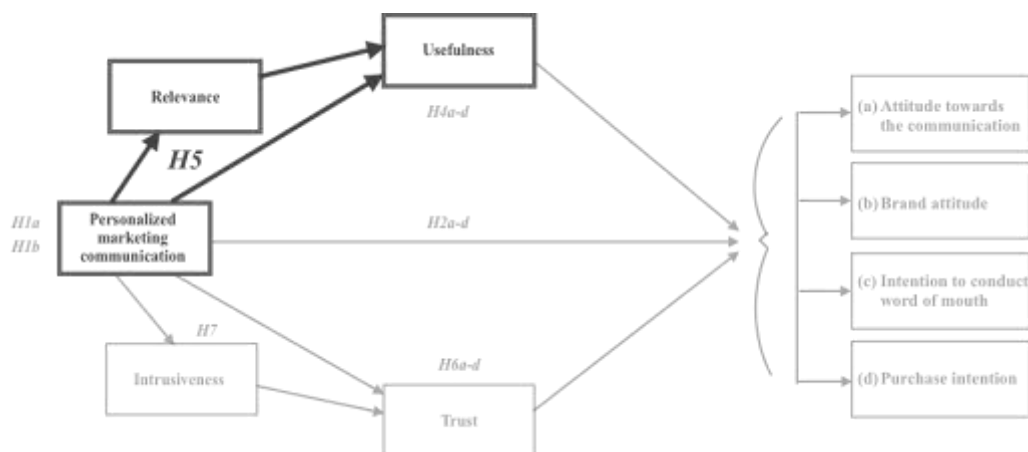


Figure 4.2: Illustration of the variables and relationships included in the mediation test of relevance.

4.1.3.4 The mediating effect of trust

This section investigates what part trust plays in explaining the dependent variables of attitudes and behaviors. H6a-H6d suggests that the effect of personalized communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by consumer trust. In order to answer hypotheses H6a-H6d, four mediation analyses with the Preacher-Hayes approach were performed separately. All mediations were performed using a Preacher-Hayes approach. The independent variable was a dichotomous variable, indicating what stimulus the participant had been exposed to (scored as 1 = non-personalized communication, 2 = personalized communication), and the mediation variable used was usefulness. Only the dependent variable differs between the tests. Below follows an illustration of the variables and their relationships in the tests that were performed. The relationship tested can be seen in bold in figure 4.3.

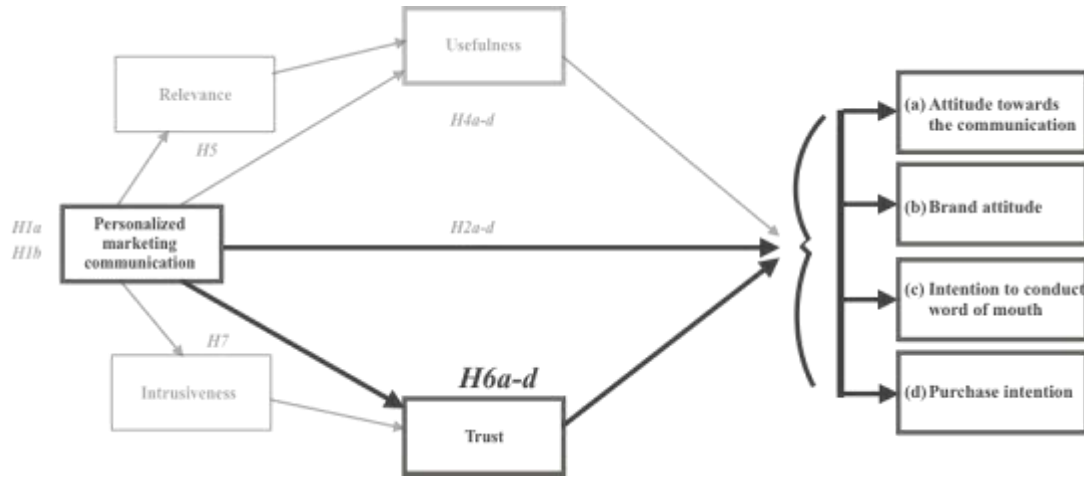


Figure 4.3: Illustration of the variables and relationships included in the mediation test of trust.

Mediation effect on attitude towards communication

To test H6a a mediation test using the Preacher-Hayes approach was conducted using attitude towards communication as the dependent variable. The test showed no significant direct effect although there was an indirect effect of 0.3412 (5000 bootstrap samples, 95 percent CI limits 0.1631-0.5469) found. The indirect-only mediation (Zhao et al., 2010) suggests that trust completely mediates the relationship between personalization and attitude towards the communication, meaning that *H6a was supported*.

Mediation effect on brand attitude

To test H6b a mediation test using the Preacher-Hayes approach was conducted using brand attitude as the dependent variable. By conducting the mediation test it could be concluded that there was no direct effect present although there was an indirect effect of 0.3412 (5000 bootstrap samples, 95 percent CI limits 0.1631-0.5469) found. The indirect-only mediation (Zhao et al., 2010) suggests that trust completely mediated the relationship between personalization and brand attitude. Thus *H6b was supported*.

Mediation effect on WOM

To test H6c a mediation test using the Preacher-Hayes approach was conducted using WOM as the dependent variable. The results showed a direct effect of 0.3622 ($p < 0.05$) and an indirect effect of 0.3061 (5000 bootstrap samples, 95 percent CI limits 0.1382 - 0.4718). This indicates that a complementary mediation exists and that WOM is affected both by personalization and trust. Thus *H6c was supported*.

Mediation effect on purchase intention

To test H6d a mediation test using the Preacher-Hayes approach was conducted using purchase intention as the dependent variable. The test indicated a direct effect of 1.1899 ($p < 0.01$) and an indirect effect of 0.3343 (5000 bootstrap samples, 95 percent CI limits 0.1583-0.5168). This indicates that a complementary mediation exists, which mean that purchase intention is affected both by personalization and trust. Thus *H6d was supported*.

4.1.3.5 The mediating effect of intrusiveness

H7 hypothesized that the effect of personalized marketing communication on trust is mediated by perceived intrusiveness. In order to test this hypothesis a mediation test with the Preacher-Hayes approach was conducted using a dichotomous variable as the independent variable, indicating what stimulus the participant had been exposed to (scored as 1 = non-personalized communication and 2 = personalized communication). The mediation variable was intrusiveness and the dependent variable was trust. The relationship tested is illustrated in figure 4.4 below. The mediation test showed a direct effect of personalization on trust of direct effect: 0.6480 ($p = 0.01$) and an indirect mediating effect of -0.1094 (5000 bootstrap samples, 95 percent CI limits - 0.2160 - -0.0047). Indicating that consumers' perception of intrusiveness has a negative indirect effect on the relationship between personalization and trust and that it is a competitive mediation (Zhao et al., 2010).

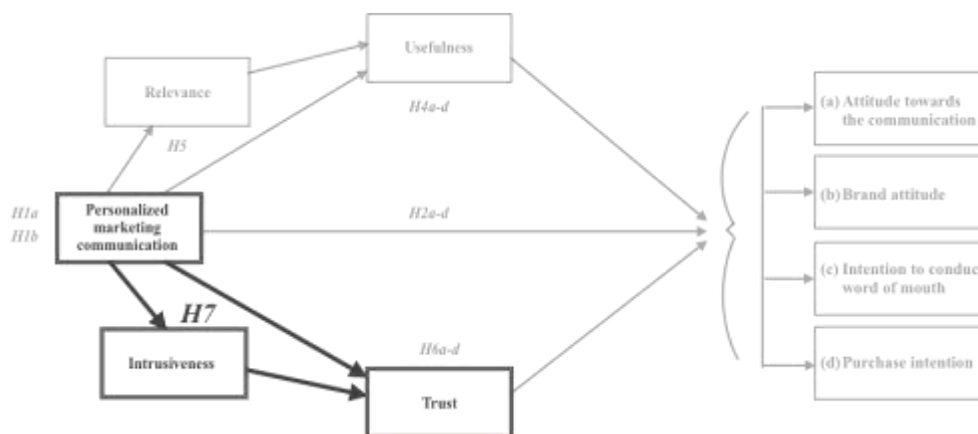


Figure 4.4 Illustration of the variables and relationships included in the mediation test of intrusiveness.

<i>X</i>	<i>M</i>	<i>Y</i>	<i>Direct effect</i>	<i>p.</i>	<i>Indirect effect</i>	<i>LLCI</i>	<i>ULCI</i>
PERS	USE	ATTCOM	-0,3313	0.0121*	0.8806	0.6129	1.1444
PERS	USE	ATTVM	N.A	N.A	0.7874	0.5498	1.0352
PERS	USE	WOM	N.A	N.A	0.7546	0.5226	0.9942
PERS	USE	PURCHINT	0.4484	0.0004**	1.0759	0.7710	1.4020
<i>X</i>	<i>M</i>	<i>Y</i>	<i>Direct effect</i>	<i>P.</i>	<i>Indirect effect</i>	<i>LLCI</i>	<i>ULCI</i>
PERS	REL	USE	N.A	N.A	1.2259	0.9469	1.5355
<i>X</i>	<i>M</i>	<i>Y</i>	<i>Direct effect</i>	<i>P.</i>	<i>Indirect effect</i>	<i>LLCI</i>	<i>ULCI</i>
PERS	TRUST	ATTCOM	N.A	N.A	0.3412	0.1671	0.5316
PERS	TRUST	ATTVM	N.A	N.A	0.3411	0.1600	0.5271
PERS	TRUST	WOM	0.3622	0.0117*	0.3061	0.1382	0.4718
PERS	TRUST	PURCHINT	1.1899	0.0000**	0.3343	0.1630	0.5208
<i>X</i>	<i>M</i>	<i>Y</i>	<i>Direct effect</i>	<i>P.</i>	<i>Indirect effect</i>	<i>LLCI</i>	<i>ULCI</i>
PERS	INTR	TRUST	0.6480	0.0000**	-0,1094	-0,2232	-0,0027

PERS = Personalization (dichotomous variable)

ATTCOM = Consumer attitude towards communication

ATTVM = Consumer brand attitude

WOM = Consumer intention to conduct word-of-mouth

PURCHINT = Consumer purchase intention

USE = Customer's perceived usefulness of the message

REL = Consumer's perceived relevance of the message

INTR = Customers' perceived intrusiveness of the message

p < 0.05 = *

p < 0.01 = **

Table 4.5: Summary of the results from all mediation tests.

4.2. Discussion of Study 1: The Scenario Study

The results generated and analyzed in the previous section will now be discussed. Starting with the turnout of the manipulation, followed by the effects of personalization and ending with a discussion of the factors mediating the effect of personalization on attitudes and behaviors.

4.2.1 Personalized communication

No significant differences in perceived personalization found between the different scenarios indicating that different levels of personalization existed. One possible explanation is that the information used in the scenarios were somewhat closely related and in order to achieve different levels of perceived personalization more extreme versions and types of information might be needed. In study 1: The Scenario study, there were only differences found between personalized communication and non-personalized communication. Thus, it cannot be said, from this study, that any information is better suited than any other for usage in personalizing communication.

4.2.2 Effects of personalized communication

Positive effects

The groups exposed to personalized communication had a more positive attitude towards the communication (5.22) and the brand (5.28), and stated a greater intention to conduct word-of-mouth (5.28) and purchase intention (5.40). It seems like there is a positive relationship between personalized communication and consumer attitudes and behaviors, which is in line with the studies by Ball et al. (2006), Al-alak and Alnawas (2010), and Postma and Brokke (2002) who says that personalization generates positive effects. Although the difference between the personalized and non-personalized group is not huge, consumers elaboration of personalized messages seem to cause formation of more favorable positive attitudes and behaviors (Ho & Bodolf, 2014; Hoyer & MacInnis, 2008), probably because of the greater concern it takes to consumers' needs (Ball et al., 2006).

The mediating role of usage

From the mediation tests in Study 1: The Scenario study, it can be seen that the perceived usefulness and relevance has an explanatory role in the relationship between personalization and consumers' attitudes and behaviors. The analysis showed that personalized messages are perceived as more relevant than non-personalized communication in line with Vesanen et al. (2007), and that the perceived relevance in terms of adaption of the messages to consumers' preferences creates value to the consumers (Arora et al., 2008) and causes consumers' to perceive the messages as more useful (e.g. Al-alak & Alnawas, 2010). The personalized group showed much higher means on both relevance and usefulness. The increased perceived usefulness of the message causes consumers' to form more positive feelings about the communication, leading to more positive attitudes and behaviors (Batra & Ray, 1986). This is in line with the results in Ho & Bodolf's (2014) study.

The mediation of the relationship between personalization and attitude towards communication turned out to be competitive (Zhao et al., 2010). Personalization had a negative direct outcome, which might have to do with the fact that people in general do not like to be disturbed and having marketing activities directed towards them by companies. Although personalization cause consumers to perceive the communication as very useful and the positive effect of perceived usefulness overshadows the negative effect of personalization on attitude towards communication, which results in an overall positive effect on the attitude. The effect of

personalization on brand attitude was completely explained through the perceived usefulness, while the relationship between personalization and intention to WOM, and personalization and purchase intention shows both a direct and an indirect effect. The fact that the dependent behavioral factors showed complementary mediations while the attitudinal did not, might have to do with the fact that consumers first form attitudes based on the communication and then base their behavioral intentions on those attitudes, and that there are more circumstances affecting behavioral intentions than attitudes alone (eg. Dahlén & Lange, 2008; Hoyer & MacInnis, 2008; Gardner, 1985).

The mediating effect of trust

The personalization-privacy paradox issue observed in studies about adoption of technology (e.g. Ho & Bodolf, 2014; Lee & Cranage, 2011; Guo, Zhang, & Sun, 2015) seem to hold true for personalized communication as well. In the analysis it becomes apparent that trust is a mediating factor for positive effects of personalization which is in line with the results of for example Guo et al. (2015) who says that consumers' trust for the company is a prerequisite for adopting new technology, and Malhotra et al. (2004) who states that trust is a very important factor for beneficial outcomes of personalization. According to Guo, Zhang, and Sun (2015) an explanation of the positive effects of personalization on trust can be that personalization is an indication of companies caring about consumers and that the feeling of benevolence leads to consumers trusting the company.

It is obvious by looking at the results from the mediation analyses that trust is negatively affected by intrusiveness. This is probably because the personalization makes people question the security of the use of their personal information (Barnett White et al., 2008), and they feel like their privacy is being intruded upon (Malhotra et al., 2004). In addition another explanation is that they feel like there is a risk in the usage of their personal information (Xu & Luo, 2011).

Although even if both consumers' feeling of intrusiveness has a negative indirect effect on consumers' trust, the direct effect of personalization is much greater. The t-test showing higher levels of positive attitudes and behaviors for the group exposed to personalized communication also manifests the idea of the positive effect of personalization being greater than the negative effect of intrusiveness. The fact that personalization has a larger positive effect on trust than the size of the negative indirect effect showed by intrusiveness, indicates that the utility maximizing calculation performed by consumers (e.g. Merasivo & Raulas, 2004; Barnett White et al., 2008)

results in personalization being of greater benefit to consumers than the cost of feeling insecure about the handling of one's personal information. A reason for the low effect of intrusiveness might be that consumers do not feel that their travel information is embarrassing information that they want to keep a secret and that the information a travel company has about them carries any risk if it is disclosed to the public (Boyd, 2010). This is also becomes apparent by the low mean the personalized group assigned to intrusiveness.

5. Study 2: The Campaign Study

Study 2 was, differently from study 1, made for testing consumers' actual behaviors as a result of personalized communication. This is done by investigating hypotheses H1a-H1b and H3a-H3b. Chapter 5 starts with describing the results of study 2 and ends with a discussion of the insights generated by the analysis.

5.1 Analysis and results for study 2: Campaign study

In this section the results from study 2: Campaign study is presented and analyzed in order to answer H1a-H1b and H3a-H3b. In the first section success of manipulation is controlled for, and in the second part the behavioral effects of personalization is investigated.

5.1.1 Personalization

In order to control for the success of the personalization manipulation and test hypothesis 1a and 1b, a one-way ANOVA was conducted using the different scenarios as a factor variable and personalization as the dependent factor. The scenario variable included 5 different groups where Message 0 (M0) was the group receiving non-personalized e-mails, Message 1 (M1) was the group receiving e-mails including their name, Message 2 (M2) was the group receiving e-mails with their name and information about a distance they had travelled more than 8 times, Message 3 (M3) was the group receiving e-mails including their name and based on their previous click-behavior, and Message 4 (M4) was the group receiving e-mails with information including their name, their total aggregated kilometers travelled, and their most travelled distance. The test showed that respondents in M0 perceived the personalization level (4.77) to be lower than both S2 (5.28, $p < 0.05$) and S4 (5.37, $p < 0.05$). Although, it could not be found that S1 (4.57) and M3 (4.86) was perceived as more personalized than S0 (4.77). Thus name, and offer based on previous click-behavior did not seem to have a higher level of personalization than the non-personalized message and since M2 and M4 did not differ in perceived personalization either, H1a was not supported.

MESSAGE	Mean	MEAN DIFFERENCE				
		M0	M1	M2	M3	M4
M0	4,77	-	<i>n.a</i>	0.51**	<i>n.a</i>	0.51**
M1	4,57		-	0.71**	<i>n.a</i>	<i>n.a</i>
M2	5,28			-	0.42**	<i>n.a</i>
M3	4,86				-	0.51**
M4	5,37					-

Table 5.1: Mean differences in personalization between the different messages

$p < 0.05 = *$

$p < 0.01 = **$

Because M1 and M3 was not significantly different from M0 in terms of perceived personalization, these two scenarios were regarded as failed manipulations and was excluded from the rest of the analysis. M2 and M4 were made into one group because of the absence of significant difference between the two groups. An independent sample t-test was conducted to control if the two new groups the non-personalized group, denoted as $NPG_{campaign}$ and the group treated with the personalization manipulation (i.e. M2 and M4) denoted as $PG_{campaign}$, differed in terms of perceived personalization. The results showed that $NPG_{campaign}$ and $PG_{campaign}$ indeed was significantly different in terms of perceived personalization ($M_{NPG_{campaign}} = 4.77$, $M_{PG_{campaign}} = 5.33$, $t(95) = -7.773$, $p < 0.01$), but since M2 and M4 was significantly different from S0 in terms of perceived personalization and M1 and M3 were not, H1b was only partly supported.

5.1.2 Effects of communication

The campaign study was performed with the objective to investigate consumers actual reactions to personalized communication. In order to answer hypotheses H3a-H3b, which suggests that consumers viewing market communication including personalized (non-personalized) information will have a higher (lower) conversion rate in terms of (a) Click-through rate and (b) Purchase rate, a series of cross tabulations were performed. Cross tabulation was chosen because of the dichotomous nature of the different variables. The relationships tested are illustrated in figure 5.1 below.

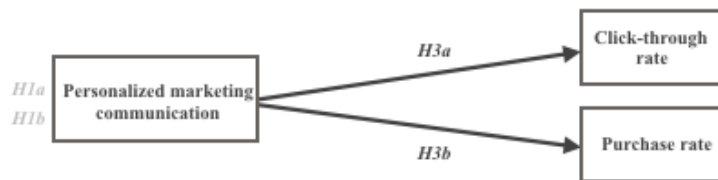


Figure 5.1 Illustration of the variables and relationships included in the test.

Click-through rate

In order to test hypothesis H3a, a cross tabulation with chi-2 test was once again performed. The variables used in the test were two dichotomous variables. The first variable indicating the type of message (Scored as $NPG_{campaign} = 1$, $PG_{campaign} = 2$) and click-through rate (1 = did not click on link in e-mail, 2 = clicked on link in e-mail). The test showed that of those exposed to personalized communication 14.5 percent clicked on the link and only 8 percent in the the group exposed to non-personalized communication clicked on the link. Out of those clicking on the link, 81.9 percent belonged to the group exposed to personalized communication while only 18.15 percent were from the group receiving non-personalized communication. The Chi-squared test showed a significant result ($p < 0.01$), thus, hypothesis H3a was supported.

Purchase rate

In order to test hypothesis H3b, two cross tabulation with a chi-square test was performed. The variable for the two groups indicating what message consumers were exposed to (scored as 1 = $NPG_{campaign}$, 2 = $PG_{campaign}$) was included in both tests and was first compared with the variable BUY_campaign23 (scored as 1 = consumer did not buy a trip with a campaign code on the 23rd of April, 2 = consumer did buy a trip with a campaign code on the 23rd of April), and then compared with BUY_13-23 (scored as 1 = a consumer had not bought any trip at all between 13-23 April and 2 = a consumer had bought a trip between April 13-23). The reason these specific dates were chosen was due to the conditions period under which the offer, used in the email, was valid.

There was no significant relationship found between consumers receiving personalized communication and purchasing a trip with the campaign code, although there was a relation between those receiving personalized communication and booking a trip sometime between April 13th-23rd. Out of those exposed to personalized communication 51.3 percent booked a ticket while only 21.1 percent in the group exposed to non-personalized did. Out of those buying a ticket 94.9 percent belonged to the group exposed to personalized communication while only 5.1 percent were from the group receiving non-personalized communication. The Chi-squared test showed a significant result, ($p = 0.00$), supporting hypothesis H3b. The numbers show that the group exposed to personalized communication showed a 143 percent higher purchase rate than the group who did not.

5.2. Discussion of study 2: The Campaign study

The results generated and analyzed in the previous section will now be discussed. Starting with the results of the manipulation, followed by the effects of personalized marketing communication on consumer behavior.

5.2.1 *Personalization*

The Campaign study showed somewhat different results than the Scenario study. Message 1 and 3's information about the consumer's name, and previous click-behavior did not differ significantly from the non-personalized scenario. The reason behind this might be that consumers have gotten used to the fact that their name is included in most communication they receive from companies and since personalized ads and product suggestions are commonly seen today, they might not react as strongly to it as to the other messages. The lack of surprising elements in the communication might prevent them from reacting to it, that it might have become a common standard (Hieronimus, 2011). It can also be because the consumers do not perceive any risk related to the type of information included in the study (Boyd, 2010). Also, in the case of M3 it is not clearly stated that personal information is used, consumers are only targeted through segmentation and the use of personal information becomes less obvious.

The results from the campaign study suggest that communication can lead to differences in perceived personalization between non-personalized messages and communication including personal information. Although, in order for a message to be perceived as more personalized it should contain information about the distance most travelled or include a number of different types of personal information so it becomes clear that the company uses information about the consumer to personalize the offer. Also it does not seem like there is any differences in levels of personalization between communication including different types of personal information.

5.2.2 *Communication effects*

From the cross tabulations made in the analysis for study 2: campaign study, it is clear that there is a relationship between personalized messages and positive behavioral responses from consumers. The group exposed to personalized communication was 81 percent more likely to have clicked on the link in the e-mail, than then the non-personalized group. In addition, the rate of purchases was 143 percent higher for the group exposed to personalized communication. Although the click-through rate was lower than the purchase rate it suggests that consumers did

not necessarily buy travel tickets through the e-mail but that the email might have triggered the idea of purchase. Also, the campaign offer of buying a travel ticket applied to one specific day (April 23rd), which might explain the insignificant results of more people using the offer when exposed to personalized communication compared to non-personalized communication. Most people might not have any need or possibility of travelling that specific day, although the fact that the group exposed to personalized communication showed 143 percent more purchases suggests that the personalized communication might have triggered a need for purchase of train tickets or have changed the point of purchase to an earlier point in time (between April 13-24) by reminding them about their need.

6. General Discussion

To get a better overview of results from this thesis the results from both study 1 and study 2 is incorporated into a joint discussion. Based on this discussion, conclusions are drawn and are followed by managerial implications based on these results. Further on, limitations of this study are presented followed by suggestions for future research.

6.1 Discussion

6.1.1 Do different types of personal information lead to different levels of perceived personalization?

The Scenario study indicated that there is no difference in perceived personalization to be found between the different personalization groups. Differently from expected it seems like the type of information included in the message does not affect the level of perceived personalization. The Campaign study showed including information about the consumer's name, or previous click-behavior did not differ significantly from the non-personalized scenario. Only the message including information about frequently travelled distances and messages including several different types of information were perceived as more personalized than the others.

The fact that the studies indicate different results may have to do with the fact that one was scenario based while the other was performed in a real setting. The respondents in the Scenario study were told specifically to partake in the study, which might have caused them to elaborate the information more thoroughly. They were also “reminded” of what type of information they had disclosed to the company when they signed up for the membership, which might have made them more sensitive and attentive to the personalization aspect. This also strengthens the theory of consumers gotten used to their names being included in most communication they receive from companies, and personalized ads and product suggestions online, and that it lowers their sensitivity.

It cannot be said, from the results in this study, that there are different levels of personalization, since only personalized communication and the lack of personalization was found. Thus, there was no evidence of specific information being preferred over any other for the objective of increasing the level of personalization. Although communication and offers based on consumers' previous purchase behavior seem to be best suited for conducting personalization. Of course, it is possible that travel companies do not have or use particularly sensitive information that could be

seen as very intruding for most of today's consumers. Other types of information not included in this study might lead to different results and the feeling of personalization might differ with the types of product and/or company depending on how sensitive the specific setting makes the consumer feel (Boyd, 2010).

6.1.2 Will personalized marketing communication affect attitudinal and behavioral outcomes?

Both studies give clear indications that personalization caused favorable effects. Both the level of attitudes toward the communication and the brand, and behavioral intentions of conducting word-of-mouth and purchase intention are higher for the group exposed to personalized communication. The same group also responds more favorable in actual purchases. The analysis also shows that the reason personalization generates more positive effects is to a large extent explained by the fact that consumers' find it more relevant and which leads to it creating value and being perceived as more useful than non-personalized communication (e.g. Al-Alak & Alnawas, 2010).

6.1.3 Does the privacy aspect of personalized marketing communication have a negative impact of attitudinal and behavioral outcomes?

It is found that personalized communication intrudes on the consumer's private space and that it causes negative effects on the trust consumers' feel for the company, which is in line with the results of for example Malhotra et al. (2015). Although the positive effects of the perceived relevance and usefulness leads to benefits much greater than the cost of feeling intruded upon. In other words, the indirect effect intrusiveness is not strong enough to cause an overall negative effect on consumers' attitudes and behaviors. The benefits they receive through relevance and usefulness of the message is great enough to make the cost-benefit calculation end up with a positive number (e.g. Merasivo & Raulas, 2004).

HYPOTHESES		Study 1: The scenario study	Study 2: The campaign study
PERSONALIZATION	<i>H1a: Consumers exposed to marketing communication including different types of information will perceive personalization at different levels.</i>	<i>Not supported</i>	<i>Not supported</i>
	<i>H1b: Consumers exposed to marketing communication with personalized (non-personalized) information will experience a higher (lower) level of personalization.</i>	<i>Supported</i>	<i>Partly supported</i>
EFFECTS OF PERSONALIZED COMMUNICATION	<i>H2: Consumers viewing marketing communication including personalized (non-personalized) information will have a more (less) positive (a) attitude towards the communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention.</i>	<i>Supported</i>	
	<i>H3: Consumers viewing marketing communication including personalized (non-personalized) information will have a higher (lower) conversion rate in terms of (a) click-through rate, and (b) purchase rate.</i>		<i>Supported</i>
MEDIATING EFFECTS OF THE RELATIONSHIP BETWEEN PERSONALIZATION AND ATTITUDE AND BEHAVIOR	<i>H4: The effect of personalized marketing communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by the consumer's perceived usefulness of the message.</i>	<i>Supported</i>	
	<i>H5: The effect of personalized marketing communication on usefulness is mediated by the consumer's perceived relevance of the message.</i>	<i>Supported</i>	
	<i>H6: The effect of personalized marketing communication on (a) attitude towards communication (b) brand attitude (c) intention to conduct word of mouth, and (d) purchase intention is mediated by consumer trust.</i>	<i>Supported</i>	
	<i>H7: The effect of personalized marketing communication on trust is mediated by perceived intrusiveness.</i>	<i>Supported</i>	

Table 6.1: Summary of hypotheses results.

6.2 Conclusion

There cannot be any different levels of personalization found for the different types of information. However, there seems to be a tendency of consumers not reacting to information they have gotten used to seeing in commercial contexts. For example, we could not prove that respondents perceived communication including their name as more personal than non-personalized communication. Personalization, specifically using historical data of consumers' previous purchase behaviors, leads to consumers responding more positively towards marketing communication. More precisely it increases; attitudes, intentions to purchase, actual purchase, and interest for the product. This is due to personalization causing higher relevance of the communication, which makes the consumer perceive it as more useful and creating valuable benefits for him/her. Personalization can also cause a feeling of intrusiveness, which have a negative impact on consumers' trust for the company. However, the perceived benefit of personalization overweighs the negative, which leads to an overall positive outcome.

6.3 Managerial Implication

Because no differences in levels of perceived personalization can be found, other than between non-personalized and personalized messages, it cannot be recommended that managers should put a lot of time and effort in to try to accomplish different levels of personalization. However, personalization in marketing communication is better than having no personalization. It seems to be enough that the consumers perceive the communication as personalized. If managers would want to induce positive behavioral responses, such as increased purchases, they should personalize the communication in such a way that it becomes relevant and useful for the consumer, for example by using previous purchase behaviors such as frequently travelled distance. Also, managers should not be afraid of personalized communication causing negative effects if the type of information used is similar to that of this study since the benefits of personalized messages showed to be greater than the consumer's costs.

6.4 Limitations

This study was limited to the transportation industry, in which companies do not have or use particularly sensitive information that could be seen as very intruding for most of today's consumers. The Personally Identifiable Information (PII) carried by transportation companies and used in this study, did not generate very strong reactions. This is probably because the information collected about consumers did not count as Personally Embarrassing Information (PEI) (Boyd, 2010). This might have limited the extent to which the study design was able to investigate the negative aspect of intrusiveness and find ways to trigger the intrusiveness factor and get stronger reactions. If the study had been conducted in collaboration with a company that held both PII and PEI it might had been possible to compose personalized communication perceived more intrusive, and thereby gain a deeper understanding of how and when intrusiveness affect attitudinal and behavioral outcomes in a negative manner. The ultimate scenario would also have been to test the psychological reactions of actual consumers in a real live setting, through a more detailed survey, similar to the one in study 1. Unfortunately, due to budget restrictions it was only possible to include three questions in the survey of study 2. However most companies selling consumer products do not hold extremely sensitive information about individuals. Thus this study is of value to them.

The generalizability of the results in this study is also limited in more than one way. First, the study is limited to the transportation industry, which makes it difficult to predict the results for

other companies and industries carrying more embarrassingly sensitive information about their consumers. For example, such information that will harm people if it is disclosed to the public. Secondly, the study is limited to the Swedish market. As Sweden is a very technologically developed country where people are used to using smartphones, computers and tablets, the Swedish population might be more used to data being collected about them leading to a lower sensitivity of personalized messages. Population in other countries might have a lower threshold for what they think is acceptable concerning collection and storing of their personal information. This might affect the results if the study were done on a different market. However the limitations of this study gives rise to interesting questions for further research.

6.5 Future research

Suggestions for future research is to apply the study in other types of companies and industrial settings, and countries to see if the results hold true there as well and increase the generalizability of the results. This study did not show any decreasing positive effects of personalization. Furthermore, this study was limited to the transportation industry, keeping in mind that other products might cause consumers to be more sensitive in using their private information in regards to more embarrassing products, or products that consumers do not want others to know they are using. It is thus of interest to investigate the same relationships for companies holding personally embarrassing information to see if intrusiveness has a more negative indirect effect when personalization concerns information perceived as more embarrassing or more risky.

Another area of interest is to investigate why we need the private sphere and what happens if people do not have any privacy at all. This would give a deeper understanding of the importance of privacy and also a better understanding of how to avoid crossing the consumer's' private sphere. Related to this could be an idea to further explore different types of information and if information not included in this study to understand what type of information would cross consumer's' privacy space and if there are information that has the power to cause different levels of personalization. Also, since the Campaign study indicated that information such as name is not perceived as personal, the role of novelty and creativity in personalized communication should be investigated.

7. Bibliography

- Accenture, 2014, Svenska företag är nöjda med investeringar i big data. Accenture.com.
<https://www.accenture.com/se-en/swedish-companies-satisfied-investments-big-data.aspx>
(Retrieved: 2016-04-25)
- Al-alak, B. Alnawas I., 2010. Mobile marketing: examining the impact of trust, privacy concerns and consumers attitude on intention to purchase, *International journal of business and management*, 5 (3) pp. 28-41.
- Ajzen, I. Fishbeinn, M., 1977. Attitude-behavior relations: a theoretical analysis and review of empirical research. *Psychological bulletin*, 84 (5) pp. 888-918.
- Anderson, C.A. and Bushman, B.J., 1997. External validity of " trivial" experiments: The case of laboratory aggression. *Review of General Psychology*, 1(1), p.19.
- Anderson, C. L. Agarwal, R. 2011. The digitalization of healthcare: boundary risk, emotion, and consumer willingness to disclose personal health information. *Information systems research*, 22(3) pp. 469-490.
- Ankarberg Johansson, A. 2013. Bromsa handels med vår personliga integritet. DN
<http://www.dn.se/debatt/bromsa-handeln-med-var-personliga-integritet/> (Retrieved: 2016-04-25)
- Ansari, A., and Mela, C. F., 2003. E-Customization. *Journal of Marketing Research*, 40 (2), pp. 131-145
- Arora, N., Dreze, X., Ghose, A., Hess, J.D., Iyengar, R., Jing, B., Joshi, Y., Kumar, V., Lurie, N., Neslin, S., Sajeesh, S., Su, M., Syam, N., Tjomas, J., Zhang, Z.J. 2008. Putting one-to-one marketing to work: personalization customization, and choice. *Marketing letters*. 19. pp. 305-321.
- Awad, N. F. Krishnan M. S. 2006. The personalization privacy paradox: An empirical evaluation of information transparency and the willingness to be profiled online for personalization. *MIS Quarterly*, 30(1) pp. 13-28.
- Axel Johnson AB,. 2015. Innovation trends, axeljohnsson.se,
<http://www.axeljohnson.se/en/news/innovation-trends/> (Retrieved: 03-18-16)
- Ball, D., Pedro S. C., Manuel J. V., 2006. Service personalization and loyalty. *Journal of services marketing*. 20 (6) pp. 391-403.
- Ball, D. Simões Coelho, P. Machás, A. 2003. The role of communication and trust in explaining customer loyalty: An extension to the ECSI model. *European journal of marketing*. 38 (9) pp. 1272-1293
- Barnett White. T., Zahay. D. L., Thorbjornsen, H., Shavitt, S., 2008. Getting too personal: reactance to highly personalized email solicitations. *Market letters*. 19. pp. 39-50.
- Barth, A., Datta, A., Mitchell, J.C. and Nissenbaum, H., 2006, May. Privacy and contextual integrity: Framework and applications. In *Security and Privacy, 2006 IEEE Symposium on* (pp. 15-pp). IEEE.
- Berry, J. 2014. Four loyalty tipping points in 2014. Loyalty one. <http://www.ILoyalty.com>
(Retrieved: 03-18-16)

- Boyd, D., 2010. Privacy and Publicity in the Context of Big Data. Danah.org.
<http://www.danah.org/papers/talks/2010/WWW2010.html>, Presented at WWW conference Raleigh, North Carolina, April 29 2010, Last viewed: 07-04-2016
- Bryman, A. and Bell, E. 2011. *Business research methods*. 3. Oxford: Oxford University Press.
- CRMTrends 2016.. Loyalty program. crmtrends.com. <http://www.crmtrends.com/loyalty.html>
 (Retrieved: 16-01-25)
- Culnan, M. J., & Armstrong, P. K. 1999. Information privacy concerns, procedural fairness, and impersonal trust: an empirical investigation. *Organization Science*, 10(1), 104-115.
- Gardner, Meryl P., 1985. Does attitude toward the ad affect brand attitude under brand evaluation set? *Journal of marketing research* 22 (2) pp. 192-198.
- Guo, X., Zhang, X., Sun, Y., 2016. The privacy-personalization paradox in mHealth services acceptance of different age groups. *Electronic commerce research and applications*, 15 pp. 55-65.
- Hann, I. H., Hui, K. L., Lee, T. S. Y., and Png, I. P. L., 2002. Online Information Privacy: Measuring the Cost-Benefit Tradeoff,. *Proceedings of the 23rd International Conference on Information Systems*, 1, pp. 1-10.
- Hieronimus, F., M. Byrne, F. Jodl, P. Matlachowsky, C. Mäenpää & C. Schminke. 2011, Wow! Exciting consumers, creating value. Consumer and Shopper Insights, McKinsey & Company, January.
- Ho, S. Y., Bodoff, D., 2014. Effects of web personalization on user attitude and behavior: an integration of the elaboration likelihood model and consumer search theory. *MIS Quarterly*, 38 (2) pp. 497-520.
- Holm, C. 2016. Digitala lojalitetsprogram ger förspång inför framtiden. Media planet.
<http://www.foretagsverksamhet.se/fretagsoptimering/kundvard/digitala-lojalitetsprogram-ger-forsprang-infor-framtiden> (Retrieved; 16-01-25)
- Hovbrandt, T. Analyst (2016) Interview at SJ headquarter. Stockholm. 2016-02-23.
- Hoyer, Wayne D. och MacInnis, Deborah (2008) Consumer Behavior 6. Uppl. Kina: Cengage learning.
- Jiang, Z., Heng, C.S. and Choi, B.C., 2013. Research Note—Privacy Concerns and Privacy-Protective Behavior in Synchronous Online Social Interactions. *Information Systems Research*, 24(3), pp.579-595
- Lee, C. H. and Cranage D. A., 2011. Personalisation-privacy paradox: the effect of personalisation and privacy on assurance on customer responses to travel websites. *Tourism management*, 32 pp. 987-994.
- Levy, M. Weitz, B. Skinner Beitelspacher, L. 2012. Retailing management 8th edition. McGraw Hill. New York.
- Franke, N., Keinz, P. and Steger, C.J., 2009. Testing the value of customization: when do consumers really prefer products tailored to their preferences?. *Journal of Marketing*, 73(5), pp.103-121.
- Kairos future. 2015. What's on 2015 - heaven or hell? - Kairos futures trend report.
 kairosfuture.com. <http://www.kairosfuture.com/publications/reports/whats-on-2015-heaven-or-hell/> (Retrieved; 2016-04-25)
- Kaplan. (2016) Presentaton of campaign at SJ headquarter, Stockholm 2016-04-11

- Malhotra, N.K. Kim, S.S. Agarwal, J., 2004. Internet users' information privacy concerns (IUIPC): the construct, the scale, and a causal model. *Information Systems Research*, 15 (4) pp. 336–355.
- Manyika, J., Chui, M., Brown, B., Bughin, J., Dobbs, R., Roxburgh, C. and Byers, A.H., 2011. Big data: The next frontier for innovation, competition, and productivity
- Marr, B. 2016. Big data facts: How many companies are really making money from their data? Forbes.com. <http://www.forbes.com/sites/bernardmarr/2016/01/13/big-data-60-of-companies-are-making-money-from-it-are-you/#9a2d41543877> (Retrieved: 2016-04-15)
- Mbaskool, 2016. Definition: Purchase intention. Mbaskool.com <http://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10976-purchase-intention.html> (Retrieved:2016-04-19)
- Meriasavo, M. Raulas, M., 2004. The impact of e-mail marketing on brand loyalty. *Journal of product & brand management*, 13 (7) pp.498-505.
- Mitchell, C. and Campbell, S., 2004. Synergy in the City: making the sum of the parts more than the whole. In *2nd IWA Leading Edge Conference on Sustainability in Water Limited Environments*.
- Mittal, B. Lassar, W. M., 1996. the role of personalization on service encounters. *Journal of Retailing*, 72 (1), pp. 95-109.
- Murray, K. B., 1991. A test of services marketing theory: Consumer information acquisition activities. *Journal of Marketing*, 55(1) pp. 10–25.
- O'Dwyer, M. 2014. How companies can make the most of big data. Dell.com <https://powermore.dell.com/business/companies-can-make-big-data/> (Retrieved; 2016-04-25)
- Oliver, R. (1997), *Satisfaction: A Behavioral Perspective on the Consumer*, Irwin/McGraw-Hill, Boston, MA.
- Petronio S., 1991. Communication Boundary Management: A Theoretical Model of Managing Disclosure of Private Information between Marital Couples, *Communication Theory*, 1 pp. 311-335.
- Phelps, J., G. Nowak, E. Ferrell., 2000. Privacy concerns and consumer willingness to provide personal information., *Public Policy Marketing* 19(1) pp. 27-41
- Postma, Oeds J., and Marlon Brokke. 2002. Personalisation in practice: The proven effects of personalisation. *The Journal of Database Marketing*, 9 (2) pp. 137-142.
- Riecken, D. (2000) Personalized views of personalization. *Communications of the ACM*, 43 (8). (pp. 27-28)
- SCB. 2015. Andel personer som har tillgång till internet i hemmet. Scb.se http://www.scb.se/sv_/Hitta-statistik/Statistik-efter-amne/Levnadsforhallanden/Levnadsforhallanden/IT-bland-individer/15269/15276/281490/ (Retrieved: 2016-04-13)
- Sharp, Byron. Sharp, Anne., 1997. Loyalty programs and their impact on repeat purchase loyalty patterns. *International journal of research in marketing*, 14 pp. 473-486.
- SJ AB (2016) Om SJ. sj.se. Retrieved: 2016-04-03. <http://www.sj.se/sj/jsp/polopoly.jsp?d=120&l=sv>
- Solove, J. D., 2006. A taxonomy of privacy. *University of Pennsylvania law review* 154 (3) pp. 477-564.

- Soonthonsmai, V., 2001. *Predicting intention and behavior to purchase environmentally sound or green products among Thai consumers: An application of the Theory of Reasoned Action*.
- Stokes, R. 2013. eMarketing: the essential guide to marketing in a digital world 5th edition chapter 10. *Quirk education* [Pty] Ltd.
- Stone, E. F., Gardner, D. G., Gueutal, H.G., and McClure, S. 1983. A Field Experiment Comparing Information-Privacy Values, Beliefs, and Attitudes Across Several Types of Organizations. *Journal of Applied Psychology*, 68 (3) pp. 459-468.
- Stone, E. F., and Stone, D. L. 1990. Privacy in Organizations: Theoretical Issues, Research Findings, and Protection Mechanisms. *Research Findings in Personnel and Human Resources Management*,
- Surprenant, C.F. and Solomon, M.R., 1987. Predictability and personalization in the service encounter. *the Journal of Marketing*, pp.86-96.
- Sutanto, J. Plame, E. Tan, C.H. Phang, C.W. 2013. Addressing the personalization privacy paradox: an empirical assessment from a field experiment on smartphone users. *MIS Quarterly*, 37 (4) pp. 1141-1164
- Sveriges konsumenter. 2016. Integritet på nätet. Sverigeskonsumenter.se
<http://www.sverigeskonsumenter.se/vad-vi-gor/integritet-pa-natet/> (Retrieved: 2016-04-25)
- Swan, M., 2015, March. Philosophy of Big Data: Expanding the Human-Data Relation with Big Data Science Services. In *Big Data Computing Service and Applications (BigDataService)*, 2015 IEEE First International Conference on(pp. 468-477). IEEE.
- Söderlund, M. 2001. *Den lojala kunden*. Malmö: Liber.
- Söderlund, M., 2010. *Experiment med människor*. Liber.
- Söderlund, M., 2012. *Kundmötet*. Liber: Malmö.
- Söderlund, M., 2005. *Mätningar och mått: i marknadsundersökarens värld*. Liber ekonomi.
- Söderlund, M., 2016. Collecting and analyzing qualitative data. Stockholm School of Economics. 2016-02-11
- Thunman, C.G., Wiedersheim-Paul, F. 2003. Validitet. Eki.mdh.
<http://www.eki.mdh.se/Kurshemsidor/foretagsekonomi/robhan/validitet-exempel2.htm>
(Retrieved: 2016-04-15)
- Trost, J., 2001. *Enkätboken*. 2. Lund: Studentlitteratur.
- Trost, J., 2010. *Kvalitativa intervjuer*. 4. Lund: Studentlitteratur AB.
- Uncles, Mark D. Rowling, Grahame R. Hammond, Kathy. 2003. Customer loyalty and customer loyalty program. *Journal of consumer marketing*. 20 pp. 294-316.
- Vesonen, J. 2007. What is personalization? A conceptual framework. *European journal of marketing*, 41(5/6) pp.409-4018.
- West, P. M., Ariely, D., Bellman, S., Bradlow, E., Huber, J. Johnson, E., Kahn, B., Little, J., and Schkade, D. 1999. "Agents to the Rescue?," *Marketing Letters* (10:3), pp. 285-300.
- Xu, H. Luo X. R. Carroll, J. M. Rosson, M. B. 2011. The personalization privacy paradox: An exploratory study of decision making process for location-aware marketing. *Decision support systems* 31 pp. 42-52.
- Yi, Y. Jeong, H. 2003. Effects of loyalty programs on value perception program loyalty and brand loyalty. *Journal of the academy of marketing science*,. 31 pp. 229-240.

Zhao, X. Lynch, J. G. Chen, Q. 2010. Reconsidering baron and kenny: Myths and truths about mediation analysis. *Journal of consumer research*, 37 pp. 197-206.

8. Appendix

8.1 Personal Interviews of SJ Employees

- Axi, S. (2016) Manager of Sales: Youth, Student, Senior. Interview at SJ headquarter. Stockholm. 2016-01-29.
- Björnberg, A. (2016) Manager of Membership program and Customer database. Interview at SJ headquarter. Stockholm. 2016-01-20.
- Cederlund, M. (2016) Manager of CRM strategies. Interview at SJ headquarter. Stockholm. 2016-01-21.
- Edholm, S. (2016) Head of the Customer Insights and CRM department. Interview at SJ headquarter. Stockholm. 2016-01-18.
- Ersson, M. (2016) Manager of CRM, Campaigns, and Results. Interview at SJ headquarter. Stockholm. 2016-01-18.
- Fast, A. (2016) Manager of CRM strategies, Customer insights, and CRM. Interview at SJ headquarter. Stockholm. 2016-01-20.
- Gullbrandsson, G. (2016) Manager of Business Development. Interview at SJ headquarter. Stockholm. 2016-01-22.
- Hovbrandt, T. Analyst (2016) Interview at SJ headquarter. Stockholm. 2016-01-21.
- Klerebo, N. (2016) Manager of CRM process and Development. Interview at SJ headquarter. Stockholm. 2016-01-21.
- Svensson, O. Manager of CRM partnerships and offers (2016) Interview at SJ headquarter. Stockholm. 2016-01-21.
- Säker, E. (2016) Manager of Customer Insights. Interview at SJ headquarter. Stockholm. 2016-03-08.
- Westfeldt, T. (2016) Manager of Customer Insights. Interview at SJ headquarter. Stockholm. 2016-01-20.

8.2 The scenarios used in study 1: The scenario study

SCENARIO 0: No personalization

Imagine that you are the person in the following scenario: Your name is Kim Johansson and at this right moment you are sitting in your home in Västerås at Kaserngatan 4. You travel between Västerås and Örebro two times a month, and when you do you always travel with “The Train Company”. You joined their loyalty program a year ago and when you signed up you had to state your name, phone-number, email address and social security number.

You love festivals, cinnamon buns and like to listen to audio books – preferably crime stories, but this is not any information that you have given to The Train Company. While traveling with train you usually go to the bistro and buy yourself a cinnamon bun and a coffee, and in connection to this you always register your membership card.

Sitting in your home, you pick up your computer to check your email. You notice that you have received an email from The Train Company. You open it and read the following:

Hi! Here is 20% discount for you to use on the route Västerås – Gothenburg next time you book a train ticket. The offer is valid for one round trip. Have a nice trip!

**Best regards,
The Train Company**

SCENARIO 1: Name

Imagine that you are the person in the following scenario: Your name is Kim Johansson and at this right moment you are sitting in your home in Västerås at Kaserngatan 4. You travel between Västerås and Örebro two times a month, and when you do you always travel with “The Train Company”. You joined their loyalty program a year ago and when you signed up you had to state your name, phone-number, email address and social security number.

You love festivals, cinnamon buns and like to listen to audio books – preferably crime stories, but this is not any information that you have given to The Train Company. While traveling with train you usually go to the bistro and buy yourself a cinnamon bun and a coffee, and in connection to this you always register your membership card.

Sitting in your home, you pick up your computer to check your email. You notice that you have received an email from The Train Company. You open it and read the following:

Hi Kim! Here is 20% discount for you to use on the route Västerås-Gothenburg nex time you book a train ticket. The offer is valid for one round trip. Have a nice trip!

**Best regards,
The Train Company**

SCENARIO 2: Most travelled distance

Imagine that you are the person in the following scenario: Your name is Kim Johansson and at this right moment you are sitting in your home in Västerås at Kaserngatan 4. You travel between Västerås and Gothenburg two times a month, and when you do you always travel with “The Train Company”. You joined their loyalty program a year ago and when you signed up you had to state your name, phone-number, email address and social security number.

You love festivals, cinnamon buns and like to listen to audio books – preferably crime stories, but this is not any information that you have given to The Train Company. While traveling with train you usually go to the bistro and buy yourself a cinnamon bun and a coffee, and in connection to this you always register your membership card.

Sitting in your home, you pick up your computer to check your email. You notice that you have received an email from The Train Company. You open it and read the following:

Hi! We see that one of your most travelled routes is Västerås-Gothenburg. Here is 20% discount for you to use next time you book a train ticket. The offer is valid for one round trip. Have a nice trip!

**Best regards,
The Train Company**

SCENARIO 3: Previous click behaviour

Imagine that you are the person in the following scenario: Your name is Kim Johansson and at this right moment you are sitting in your home in Västerås at Kaserngatan 4. You travel between Västerås and Örebro two times a month, and when you do you always travel with “The Train Company”. You joined their loyalty program a year ago and when you signed up you had to state your name, phone-number, email address and social security number.

You love festivals, cinnamon buns and like to listen to audio books – preferably crime stories, but this is not any information that you have given to The Train Company. While traveling with train you usually go to the bistro and buy yourself a cinnamon bun and a coffee, and in connection to this you always register your membership card. Recently you received a newsletter from The Train Company. In that newsletter you clicked on a link to learn more about the festival Way Out West in Gothenburg and you also viewed the alternatives for travelling there.

Sitting in your home, you pick up your computer to check your email. You notice that you have received an email from The Train Company. You open it and read the following:

Hi! We see that you are interested in going to the festival Way Out West. Here is 20% discount for you to use on the route Västerås-Gothenburg the next time you book a train ticket. The offer is valid for one round trip. Have a nice trip!

**Best regards,
The Train Company**

SCENARIO 4: Travelled kilometres, home town, frequent route

Imagine that you are the person in the following scenario: Your name is Kim Johansson and at this right moment you are sitting in your home in Västerås at Kaserngatan 4. You travel between Västerås and Örebro two times a month, and when you do you always travel with “The Train Company”. You joined their loyalty program a year ago and when you signed up you had to state your name, phone-number, email address and social security number.

You love festivals, cinnamon buns and like to listen to audio books – preferably crime stories, but this is not any information that you have given to The Train Company. While traveling with train you usually go to the bistro and buy yourself a cinnamon bun and a coffee, and in connection to this you always register your membership card.

Sitting in your home, you pick up your computer to check your email. You notice that you have received an email from The Train Company. You open it and read the following:

Hi Kim! We want to celebrate you one-year membership anniversary. You have so far travelled 8360 km from and to your hometown Västerås. One of your most frequent route is Västerås-Göteborg. Here is 20% discount to use on that trip next time you book a train ticket. The offer is valid for one round trip. Have a nice trip!

**Best regards,
The Train Company**

SCENARIO 5: Time clicked on link, interest for festivals

Imagine that you are the person in the following scenario: Your name is Kim Johansson and at this right moment you are sitting in your home in Västerås at Kaserngatan 4. You travel between Västerås and Örebro two times a month, and when you do you always travel with “The Train Company”. You joined their loyalty program a year ago and when you signed up you had to state your name, phone-number, email address and social security number.

You love festivals, cinnamon buns and like to listen to audio books – preferably crime stories, but this is not any information that you have given to The Train Company. While traveling with train you usually go to the bistro and buy yourself a cinnamon bun and a coffee, and in connection to this you always register your membership card. Today at 18.03 you clicked on a link in a newsletter from The Train Company to read more about the festival Wat Out West in Göteborg. In combination with this you also viewed the different alternatives for travelling there.

Sitting in your home, you pick up your computer to check your email. You notice that you have received an email from The Train Company. You open it and read the following:

Hi Kim! At 18.03 today you clicked on a link about the festival Way Out West. Since you like festivals, why not start planning your trip today and get a 20% discount on the route Västerås-Göteborg when you book your trip. The offer is valid for one round trip. Have a nice trip!

**Best regards,
The Train Company**

8.3 Messages used in study 2: the campaign study

SCENARIO 0: No personalization

It's time for a spring travel!

On Saturday April 23 you can get up to 50% discount on travels in first class. Why not take the opportunity to book a weekend and meet the spring at a nice outdoor seating?

The offer is valid on all our day trains 2016-04-23. The lowest price is 295 SEK for fast train and 195 SEK for inner city and regional trains. Buy a ticket today or at latest 24 hours before departure.

Welcome on board!

Ps. We really like to hear what you think about this email and would very much appreciate if you would like to answer some simple questions. As a thank you for your help you get **500 SJ Prio-points**

[You find the questions here](#)

SCENARIO 1: Name

Hi [NAME]!

On Saturday April 23 you can get up to 50% discount on travels in first class. Why not take the opportunity to book a weekend and meet the spring at a nice outdoor seating?

The offer is valid on all our day trains 2016-04-23. The lowest price is 295 SEK for fast train and 195 SEK for inner city and regional trains. Buy a ticket today or at latest 24 hours before departure.

Welcome on board!

Ps. We really like to hear what you think about this email and would very much appreciate if you would like to answer some simple questions. As a thank you for your help you get **500 SJ Prio-points**.

[You find the questions here](#)

SCENARIO 2: Name and frequently travelled route

Hi [NAME]!

Since you often travel between Gothenburg and Stockholm this offer might interest you. On Saturday April 23 you can get up to 50% discount on travels in first class. Why not take the opportunity to book a weekend and meet the spring at a nice outdoor seating?

State the campaign code: APRIL23

Welcome on board!

The offer is valid on all our day trains 2016-04-23. The lowest price is 295 SEK for fast train and 195 SEK for inner city and regional trains. Buy a ticket today or at latest 24 hours before departure.

Ps. We really like to hear what you think about this email and would very much appreciate if you would like to answer some simple questions. As a thank you for your help you get 500 SJ **Prio-points**.

You find the questions here

SCENARIO 3: Name and previous click behavior (clicked on offers related to Gothenburg).

Hi [NAME]!

We see that you in our previous mails have shown interest for offers related to Gothenburg. Maybe this will also be of interest to you. On Saturday April 23 you can get up to 50% discount on travels in first class. Why not take the opportunity to book a weekend and meet the spring at a nice outdoor seating?

State the campaign code: APRIL23

Welcome on board!

The offer is valid on all our day trains 2016-04-23. The lowest price is 295 SEK for fast train and 195 SEK for inner city and regional trains. Buy a ticket today or at latest 24 hours before departure.

Ps. We really like to hear what you think about this email and would very much appreciate if you would like to answer some simple questions. As a thank you for your help you get **500 SJ Prio-points**

You find the questions here

SCENARIO 4: Name and previous click behavior (clicked on offers related to Gothenburg).

Hi [NAME]!

During the last 12 months you have travelled [X] km with us. We want to celebrate this by giving you a travel discount on a trip. Since you often travel between Gothenburg and Stockholm you might find this offer interesting. On Saturday April 23 you can get up to 50% discount on travels in first class. Why not take the opportunity to book a weekend and meet the spring at a nice outdoor seating?

State the campaign code: APRIL23

Welcome on board!

The offer is valid on all our day trains 2016-04-23. The lowest price is 295 SEK for fast train and 195 SEK for inner city and regional trains. Buy a ticket today or at latest 24 hours before departure.

Ps. We really like to hear what you think about this email and would very much appreciate if you would like to answer some simple questions. As a thank you for your help you get **500 SJ Prio-points**.

[You find the questions here](#)