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A consumer perspective of personalized marketing

An exploratory study on consumer perception of personalized marketing and how it affects the purchase decision making

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Abstract
The traditional type of marketing is more directed towards big customer segments in specified areas. Due to technological improvement marketing has evolved into an extreme form of segmentation where marketing target the individual consumer based on their personal needs and preferences. This has led to a discussion of whether personalized marketing is something that create privacy concerns or benefits in the eyes of the consumer.

The purpose of this thesis is to explore the consumer perception of personalized marketing and how the perception affects the purchase decision-making process.

A conceptual framework was developed based on earlier research within personalized marketing. A qualitative method with an abductive approach has been used. Our primary data was collected through 8 different semi-structured interviews and consisted of men and women in the age span of 40-59 years' old who had engaged in e-commerce at least once during the last six months.

Our empirical data has been analyzed out of the literature review, which founds the basis for our findings. Our findings show that the consumer perception of personalized marketing affect the consumer decision-making process in varying ways. A positive perception of the personalized marketing makes the consumer more susceptible to it, which further impacts the different stages in the process.

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1. Introduction

Rapid digital development has created a more intense competition among companies. Companies are now able to directly interact with their target consumers in an easier and more cost efficient way and the increased number of available communication channels has enabled companies to reach customers worldwide. Since consumers are more reachable they are also overwhelmed with different company offerings (Kotler & Keller, 2015). Nowadays, there are endless options, and availability of product information and the opportunity to compare products increase the importance for companies to personalize their marketing (Dawn, 2014). If the consumers' do not feel that a company benefit them, they have endless choices to easily choose another company. Therefore, for marketing to be successful and for the company to be the obvious choice, companies need to understand how consumer online behavior works in order to build relationships that makes them competitive within the market (Fahy & Jobber, 2015).

As a result of the increased knowledge of consumer needs, personalized marketing has increased. The traditional channels of communication such as television and radio are now competing against the Internet and consumers are exposed to it on a daily basis (Ashworth & Free, 2006). According to Internet World Stats (2019), 97.6 percent of the population in Sweden use the Internet regularly and this high rate of internet usage has led to that e-commerce is becoming more common. During 2018, e-commerce increased with 15 percent in Sweden, which constitutes around 9.8 percent of the total retail in the country (PostNord, 2019).

Nowadays companies are able to collect consumer information by tracking online activities. This has led to that the traditional type of segmentation by target groups has evolved towards a more extreme form of segmentation. This extreme form of segmentation involves that the offers are directed directly towards the individual consumer (Dawn, 2014). Companies are able to utilize the collected data to offer personalized messages to the individual consumer through, for example, banners and pop-ups (Sipior, Ward, & Mendoza, 2011). Therefore, online personalized marketing has become more common recently. Every time a consumer engages in various types of e-commerce, digital trails are

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left behind (van Doorn & Hoekstra, 2013) and companies are able to profile consumers on their behavioral and purchasing patterns (Toch, Wang, & Cranor, 2012).

The tracking of digital trails allows companies to personalize messages towards consumers. Companies need to understand their consumers and their online behavior plays a crucial role in the strategy of online personalized marketing, which is necessary in order to create a relevant message towards consumers. In case of a potential purchase, the consumer goes through a decision-making process which is described as the process from becoming aware of a need, to make a purchase decision and later evaluate the decision that was made. The process may be affected by the perception of personalized marketing in various ways which, in the end, may be the difference whether or not a purchase is made. Because of this, it is important that the consumer needs are satisfied in all of the five different stages of the process. The relevance of the message is of great importance and refers to companies' possibilities to create a feeling of being specially selected for the individual consumer in comparison to other consumers (Dawn, 2014). Therefore, the relationship between consumer and company is of importance and past experiences becomes crucial in the general strategy of personalized marketing. Past experience may play a role in the consumer purchase intentions online since it is a crucial factor in the consumer's view of the company (Luarn & Lin, 2003). Positive past experiences increase the trust for the consumer that companies manage personal data responsibly (Blythe, 2008).

In the perspective of the consumer, relevant personalized messages may affect the purchase intentions in a positive way whilst a message with low relevance entails irritation for the consumer. Even though high relevance messages can generate positive effects, there is an ongoing debate on how the gathering and storing of personal information is managed without causing privacy concerns for consumers (van Doorn & Hoekstra, 2013). Past experiences and privacy concerns are factors that affects the perception of the personalized marketing, and this in turn may affect the decision-making and whether the consumer complete the purchase or not (Luarn & Lin, 2003).

1.1 Problematization

The digital world enables companies in a larger scale to gather and store data on consumers' behavior online and their purchasing patterns. This creates a dilemma since it becomes harder for the consumer to stay anonymous due to the fact that online activities can be traced and stored. This simplified way of tracking consumers and companies' ability to store data imply that the control and responsibility of personal information is transferred from the consumer to the company (Ashworth & Free, 2006). This can in turn evolve into feelings of privacy concerns. According to Gurleen (2012), e-commerce creates a greater sense of uncertainty since the actual product cannot be seen physically. More trust is therefore required towards the company and positive past experiences is of great importance since it has the ability to build increased trust.

During the decision making process each of the five steps is in various degrees affected by personalized marketing. In the first stage, problem awareness, personalized marketing can create an awareness of a need for a specific product regardless if the consumer actively is searching for it or not. During the second stage which is information search, relevant messages can ease the process and provide relevant product offerings which in turn becomes the foundation for evaluating alternatives (Trang, 2017), which is the third stage in the process. The fourth stage, which is the decision of whether to purchase or not is affected by the previous steps in the process. If problem awareness occurs and the consumer has found the right product with the help from personalized marketing, the probability for the purchase to happen increases. After the purchase, the whole process is evaluated in the fifth stage, which may be affected by how companies work with their personalized marketing afterwards (Fahy & Jobber, 2015).

From the consumer perspective, the personalized marketing has the advantage of being relevant towards the individual where the right product can be offered at the right time. This precise relevance is built upon the gathering of enormous amounts of personal data, which might leave the consumer with a feeling of companies being intrusive and cross the border of privacy (Pavlou, 2011). Too accurate marketing may therefore have the consequence of making the consumer feel like the companies knows too much about their personal life, which in turn is something that can cause a negative outcome of the marketing

(van Doorn & Hoekstra, 2013). This further implies a higher risk of creating the adverse effect of what is intended since the degree of privacy concerns can be perceived as bigger than the usefulness of it. According to Bélanger and Crossler (2011), 85 % of the companies that were involved in a study in 2011 stated that they had violated the usage of personal information in a way that could have led to charges against them. The companies are thus faced with risking to intrude on consumers' privacy while the rewards of running a successful personalized marketing can be of benefit in terms of having an impact on the decision making process (Sipior, Ward, & Mendoza, 2011).

Whether personalized marketing is something that creates privacy concerns or if it is something that builds relationships is a well-debated sphere of research and there are plenty of studies in this topic. However, there are relatively few studies that address the consumer attitude towards personalized marketing and how the message is perceived by them. An accurate personalized marketing matches the consumer's need and preferences. This may help the consumer through the decision-making process through different offerings based on the individual. A too accurate personalized marketing can however frighten the consumer not to take part of the personalized offer (van Doorn & Hoekstra, 2013).

In this study, we would like to address this research gap on how consumers in the ages between 40-59 years old perceive the personalized marketing and how it affects the consumer decision-making process. According to Lissitsa and Kol (2016, p. 304), "age has been proven to be a determining factor in user acceptance of online shopping and consumer intention to shop". People within the ages of 40-59 are considered to be more skeptical towards technology and sharing information online compared to the younger generation. This further complicates the delivering of online personalized marketing because this generation is considered to resist it rather than embracing it (Lissitsa & Kol, 2016). Our research therefore looks into how consumers in the ages of 40-59 perceive personalized marketing and how it affects the five stages in the decision-making process. This will be done by investigating whether feelings of privacy concern and past experiences has an impact on the perception and thus the purchase decision making process.

1.2 Purpose

The purpose of this study is to explore the consumer perception of personalized marketing and how the perception affects the purchase decision making process.

1.3 Research question

How does the consumer perception of personalized marketing affect consumers' decision-making process?

2. Literature review

In this chapter relevant theories, models and terms regarding personalized marketing are presented. In order to investigate the consumer perception of personalized marketing and how it affects the purchase decision making, Consumer behavior online, Consumer decision-making process, Consumer perception, Privacy concerns and Past experiences are discussed. We start with the concept Customer Relationship Management before moving on to the concept of Personalized marketing.

2.1 Consumer Relationship Management

Customer Relationship Management (CRM) is a term, with its roots in relationship marketing, that describe how a company works in order to identify and create relationships with new customers and at the same time remain and strengthen the relationship with the already existing customers (Choudhurya & Harrigan, 2014). According to Bhat and Darzi (2016), the purpose of CRM is to gain knowledge about the customers and their needs in order to create long-term relationships. Further, Grönroos (2004) states that relations have the ability to create a feeling of control, security and trust, which might lead to increased purchase intentions. Close relationships also have the ability to build greater competitive advantages over others (Bhat & Darzi, 2016). According to Kumar and Reinartz (2012, p. 4), CRM is defined as:

> the practice of analyzing and using marketing databases and leveraging communication technologies to determine corporate practices and methods that maximize the lifetime value of each customer to the firm

The traditional type of marketing is more directed towards big customer segments in specified areas with the aim to increase market share and sales growth (Kumar & Reinartz, 2012). CRM, on the other hand, is a cost-effective way to apply relationship marketing, where the technological improvements allow data gathering on a larger basis which then can be used in order to offer personalized offers (Knox, Maklan, Payne, Peppard, & Ryals, 2003). The use of CRM enables companies to identify consumers and create greater knowledge regarding their needs and values, which have the possibility to create an increased consumer value (Kumar & Reinartz, 2012; Soltani & Navipour, 2016).

The changes regarding the type of marketing has led to a more personalized approach that aims to build relationships with the consumers. Therefore, it is of crucial importance that companies are careful and considerate regarding differences between each individual consumer. Because of this it is important that companies handle every relationship individually in order to maximize the benefits (Kumar & Reinartz, 2012). Further, Kumar and Reinartz (2012) states that CRM concerns identification of different needs and values among consumers in order to communicate with them. To do this successfully, the gathered information has to be detailed and updated (Jayachandran, Sharma, Kaufman, & Raman, 2005). The simplified approach to collection and storage of information has led to an increased knowledge of the consumer's behavior. The increased knowledge can further have several benefits such as greater competitiveness and lowered operational costs (Harrigan, Soutar, Choudhury, & Lowe, 2015).

In the past, companies were not able to use the large databases containing consumers' personal data on their behavior and therefore had to market their products against the general audience. The traditional type of marketing highlights the pros of a specific product for the big customer segments. This type of segmentation divides the market into smaller homogeneous groups with the purpose to identify target groups and create an increased consumer value (Strycharz, 2019). More recently, marketing has become an extreme form of segmentation. The focus has changed from smaller homogeneous groups towards targeting the individual consumer based on its personal preferences. Offerings are addressed to the specific individual in order to generate a more personal feeling (Dawn, 2014).

2.2 Personalized marketing

Personalized marketing is a concept that is created when information about consumers is combined with technology to create interactions between the company and the individual consumers (Dawn, 2014). The concept is described as a flow of communication directed towards the individual consumer which is tailored based on personal data, such as age, ethnicity, sex, needs and preferences (White, Zahay, Helge, & Shavitt, 2007). Personal marketing utilizes the personal data in order to match the consumers' needs or preferences with a specific product (Dawn, 2014). Due to technological improvements and the ability

to collect data, marketing has become more personalized than ever before (White et al. 2007). Furthermore, Dawn (2014) states that the increased usage of the Internet makes it easier for businesses to communicate directly with their consumers. Both large and small companies, regardless of industry, can gain competitive advantages since access to personal data enables companies to create an accurate advertisement that targets the individual consumer (Lewis & Ling, 2015). This type of database marketing allows companies to precisely identify the needs of the consumers' and communicate the offers relatively cost-efficiently (Paulo Rita, 2003, as cited in Dawn, 2014), and at the same time it can increase the perceived value for the consumer (Kumar & Reinartz, 2012).

The concept of personalized marketing can be explained through two different terms, *personalization* and *customization. Personalization* is a process based on that the consumer is identified through the automatic collection of previous behavior, preferences, purchase history and other personal information. Activities online leave digital trails that enables companies to create a profile for personalized marketing. Such digital trails typically include information such as names, list of acquaintances, current location and demographics. Enormous databases and collection of digital trails about consumer habits and behavior on different websites enables an accurate communication to the specific consumer (Toch, Wang, & Cranor, 2012). The possibilities for a more accurate communication increase the probability of creating a long-term relationship with the consumers by showing an understanding of their habits and needs (Luarn & Lin, 2003).

Customization, on the other hand, refers to that the users themselves can customize the type of advertising they want to have. It has the ability to create an even greater value for the consumer since it continuously monitors their personal preferences and adjust the advertisement after this (Sundar & Marathe, 2010). This creates communication where the companies are acting towards consumers' active opinions, in order to maximize the consumer value (Ying Ho & Bodoff, 2014). A great example of a company that is using customization is Twitter that allows the consumers to decide which type of advertising they should be exposed to. This is done by publishing information themselves and sharing posts of others they consider relevant (Sundar & Marathe, 2010).

Even though personalized marketing can be implemented in at least two different ways, Dawn (2014) states the most important thing is the relevance of the message. The relevance in the message is about an accurate communication that create a feeling of being specially selected for the individual consumer instead of reach out with a broad message to a larger group.

2.3 Consumer Perception

In broad terms, perception is defined as how the environment around us is analyzed and perceived (Blythe, 2008). It can be seen as a filter between external and internal interpretation from the consumer perspective and can also be described as the moment when a consumer becomes aware of something via their senses (Gellynck, Khüne, Van Bockstaele, Van de Walle, & Dewettinck, 2009). The perception of a situation can vary from individual to individual depending on many factors such as subjectivity, expectations and past experiences (Blythe, 2008).

The perception is to a great extent based on expectations. Whether the consumer perceive something as positive or negative plays a major role in if the consumer sees the situation as favorable or unfavorable (Blythe, 2008). In an unfamiliar situation, the perception is based on rational conclusions where the individual can be considered judgmental. If there is no reference to how expectations are created, people tend to create expectations based on the standard, and thus make a comparison with previous experiences that the consumer has had. In more familiar situations, the perception is based on emotional factors where expectations for how something should be plays a big role (Gellynck et al., 2009). The perception of the situation tends to be adversely affected if what actually happens does not meet the expectations. Expectations can also be surpassed if the consumer feels that the overall experience had added value, which leads to a greater understanding of the situation and thus increases the chance that a customer will return for further purchases. However, it is important to take into account that each consumer forms his or her own perception of things, which makes it difficult to predict how something might be perceived (Dahlén, Lange, & Rosengren, 2017).

Blythe (2008), also describes that selective factors have a certain impact, where consumers subconscious choice of focus can influence the perception (Moen, Miller, & Lloyd, 2017).

In a case where consumers perceive personalized marketing, the perception may differ significantly as consumers emphasize different parts of the personal advertising. However, this is very difficult to predict as it is complex to form an opinion about the psychological aspect and what happens in one's subconscious. The way a consumer, unconsciously or not, chooses to focus on something determines how the overall perception of something becomes. One's subconscious can thus form the basis for whether the situation is perceived as positive or negative (Dahlén, Lange, & Rosengren, 2017).

When a personalized message is received, the consumer can choose to either ignore the message or see it as an opportunity or as a threat dependent on the perception (Gellynck et al., 2009). As mentioned before, e-commerce contains more uncertainty than traditional shopping. When shopping in a physical store, the product can be both seen and touched and the consumer can decide on how much information which he or she wants to share (Rajesh & Purushothaman, 2013). During online shopping, consumers are forced to give up information in order to fulfill a purchase, and this might affect how they perceive the overall experience (Gellynck et al., 2009, Gurleen, 2012). If the personalized message is perceived as too intrusive it may be seen as deterrent instead of something positive, which therefore enlightens the importance to discuss the two key factors privacy concerns and past experiences. The importance to discuss privacy concerns is based upon the fact that personalized marketing is created out of personal information. Within e-commerce, personal data is frequently disclosed which is something that many consumers are not comfortable with (Spiekermann, Böhme, Acquisti, & Hui, 2015). To transfer personal information is one of the biggest worries of concerns in e-commerce and past experiences is the most important factor when it comes to decrease different levels of concerns (Gurleen, 2012). Past experiences lays the foundations for expectations, which means that the consumer becomes more comfortable to disclose their personal information. This in turn may have a big impact on the overall perception of the personalized marketing.

2.3.1 Privacy concerns
The collection of personal information is one of the fundamental parts when it comes to personalized marketing (Hong & Thong, 2013). The way consumers perceive that their personal information is managed and if it reveals privacy or not may affect their perception of the personalized marketing (Spiekermann, Böhme, Acquisti, & Hui, 2015). Companies

nowadays has the ability to take advantage of the huge amount of stored personal data and this is something that has led to increased privacy concerns in today's society (Pavlou, 2011). Information privacy refers to the individual's ability to control his or her own personal information that is gathered and used (Dinev & Hart, 2006; Pavlou, 2011; Hong & Thong, 2013).

Users of the Internet are nowadays to varying degrees concerned about what personal information companies have access to and how they might use this information. This is especially visible within e-commerce where personal information is gathered in order to create personalized marketing (Pavlou, 2011). Today, personal data is seen as a valuable asset that enables companies not only to personalize offerings to already existing consumers, but also to acquire new consumers who never even have shared their information with the specific company.

An easy access to people's personal data has created a new market where personal data is sold and bought (Spiekermann, Böhme, Acquisti, & Hui, 2015). On the one hand, the gathering of personal information enables companies to formulate their marketing strategy and to maximize the personalization of the message. On the other hand, the easy access to consumers' personal information might intrude on their personal life and therefore create privacy concerns for the individual consumer (Pavlou, 2011; van Doorn & Hoekstra, 2013). People are increasingly inclined to protect their personal information (Pavlou, 2011) and it is therefore of crucial importance that companies understand the individual's privacy concerns in order to deliver successful marketing (Hong & Thong, 2013).

Hong and Thong (2013), discuss the term Internet Privacy Concerns (IPC) which they define as "the degree to which an Internet user is concerned about website practices related to the collection and use of his or her personal information." (p.276). This is based on the consumer perception regarding how their personal information is collected and stored online (Hong & Thong, 2013; Anic, Budak, Rajh, Recher, Skare & Skrinjaric, 2018). The reduced anonymity online creates bigger concerns about how their personal information is kept private (Caudill & Murphy, 2000). Furthermore, the perception of how personal information is managed does not always match with the expectation of how it should be managed. It is important to find a balance of the perceptions and expectations to avoid IPC

(Hong & Thong,2013; Anic et al. 2018). Hong and Thong (2013) has identified six dimensions that describe an individual's perception regarding how personal information is being managed:

1. *Collection* refers to the individual's perception regarding the collection of personal data and to which extent this might create a concern for the individual. If there is a concern about that personal data is collected, it creates a greater concern which makes the individual more skeptical.

2. *Secondary usage* refers to the individual's perception on whether personal data are used in line with the purpose or for a secondary purpose as well. Every website explains in their privacy policy what the data will be used for. If the individual does not believe in that, it creates greater concerns about the disclosure of personal data.

3. *Errors* refers to the individual's concern that protection of their personal data regarding intentional and accidental errors is insufficient.

4. *Improper access* refers to the individual's concern that unauthorized persons can get access to the individual's personal data. The individual expects that it is only the company in question that has access to his or her personal data.

5. *Control* refers to the concern of not having enough control over the personal information that has been collected by websites. The loss of control over how the website use the information can be a great concern for Internet users.

6. *Awareness* refers to the concern about one's own awareness and knowledge about how websites handle personal information. If the individual is not aware and has lack of knowledge it creates greater concerns about their privacy.

However, even though privacy concerns may occur, the advantages of using the personalized services surpass the disadvantages. This is described as the privacy paradox, which may occur when personalized services are used. A choice has to be made between this the advantages of the personalized services and the potential risk of experiencing privacy concerns (Pappas, 2018). Furthermore, Pappas (2018) states that the technological society of today allows for a more comfortable solution. This in turn makes it easier for the consumers to accept the potential risk that privacy concerns are experienced, in order to access the comfortable solution.

2.3.2 Past experiences

Past experiences is the second element of consumer perception and refer to the outcome of a consumer's experience when interacting with a brand and can affect the consumer's willingness to repeatedly buy from a specific brand. Past experiences can play a decisive role where a consumer chooses to purchase from. The consumer perception can therefore be affected dependent on the experiences a consumer has had (Fahy & Jobber, 2015). When shopping online, the consumer frequently will have to rely on intangible pictures and promises, which makes past experiences even more important (Gurleen, 2012).

Further, Dawn (2014) states that one of the main outcomes of personalized marketing is to create a positive consumer experience. The aim is to build a strong relationship that will keep the consumer true to the brand (Reichheld & Schefter, 2000). By targeting the individual, the company tries to make the consumer feel like they understand the consumer's need and they are able to provide a solution for it. The reason for companies to put effort into the creation of positive experiences is because marketers have noticed that it is better to retain consumers instead of recruiting new ones. Positive past experiences in e-commerce is an important factor in order to build strong relationships between consumer and company (Gurleen, 2012). This will reduce the perceived risk since it has the ability to create a sense of increased community. When a consumer feel like there is a relationship between the company and oneself, the trust is more likely to increase (Blythe, 2008).

Reichheld & Schefter (2000) states that trust is closely related to positive past experiences and it is crucial for the success of maintaining consumers. Trust is important when a risk occurs, for example, when consumers interact with e-commerce. Trust can generate feelings of confidence that his or her personal information is treated with caution and used for the intended purpose and thus can create a more positive perception in general (Dinev & Hart, 2006). When a consumer is confident to trust a company, the willingness to share personal information increase, which further can affect how personalized marketing is perceived (Reichheld & Schefter, 2000).

Blythe (2008) states that positive experiences is achieved through frequently caring about consumer satisfaction which, due to the Internet channels, is made possible at a low cost.

High satisfaction affects the experience with the company positively, which in turn increases the probability that consumers perceive the personalized marketing well (Anyuan, 2014). Further, Grönroos (2004) states that relations between consumers and companies have the ability to create a feeling of control, security and trust, which might lead to decreased purchasing risks. Past experiences that have resulted in a feeling of satisfaction also allows the consumer to be more forgiving if a situation occur where a consumer feel dissatisfied (Grönroos, 2004).

Past experiences can also be negative and influence the view of the brand in a bad way. With the many options a consumer has in today's world, companies more or less cannot afford to have consumer dissatisfaction. This especially apply to e-commerce since the next store only is a "click" away. Through the Internet, opinions and reviews are also shared, where bad reviews can put the company's reputation at stake and leave new consumers to consider purchase from somewhere else. Therefore, it is important that consumers are treated right directly so trust towards the company can be built. Regarding the usage of personal data, consumers may feel insecure about leaving private information when past experiences mainly have been negative (Dinev & Hart, 2006)

2.4 Online consumer behavior

According to Dennis et al. (2009), online consumer behavior differs from traditional consumer behavior. Online consumer behavior refers to the consumers purchasing habits over the Internet. Regarding personalized marketing, it is especially important since the seller has the opportunity to tailor the marketing to a specific individual and to his or her needs (Dennis, Merrilees, Jayawardhena, & Tiu Wright, 2009). However, it is important to address that each customer is unique and that purchase behavior can vary from individual to individual (Fahy & Jobber, 2015).

Marketers have to understand the consumer behavior since this is the fundamental basis for marketing and the consumer should always be the main focus (Blythe, 2008). In a potential purchasing process, the consumer goes through a decision-making process which may impact the purchase decision making (Fahy & Jobber). Knowing the consumers' behaviors is a necessity in the process of making a marketing plan (Blythe, 2008) since this knowledge

has the possibility to influence the consumer in their decision-making process (Vukasovič, 2016).

A common marketing term is *word-of-mouth* which refers to the phenomena where consumers share their opinions on products or brands through face-to-face communication. If the consumer has had positive past experiences with a company and feel that the personal data is being well managed, the willingness to share information increases (Reichheld & Schefter, 2000). The emergence of the Internet has led to that the term has been rephrased to *word-of-mouse,* which refers to that consumers share their opinions through internet communication (Blythe, 2008).

Reviews of products and the use of *word-of-mouse* can affect the decision-making (Shen & Sengupta, 2018), and because of cost efficiency and increased bargain power consumers involved with e-commerce have a different purchasing behavior than traditional shoppers. Factors such as demographics, technology knowledge and previous experience within e-commerce contributes to the shaping of a consumers' online behavior (Hamid, 2008). If consumers feel confident enough to trust the company their willingness of sharing personal information will increase (Dinev & Hart, 2006).

2.5 Consumer decision-making process

The decision-making process refers to the steps a consumer goes through when deciding whether to purchase a product or not. The process is closely related to consumer behavior and can be heavily affected by how personalized marketing is perceived out of the consumer perspective (Kotler & Keller, 2015). In order to optimize the communicated message within the personalized marketing, companies need to know how consumers act during the five steps in the decision-making making process. The understanding of factors that influence consumers in their decision-making process is of crucial importance. This is because consumers go through different steps in their decision-making-process before making a purchase (Kotler & Keller, 2015; Fahy & Jobber, 2015). We used the five-step decision-making process model by Fahy and Jobber (2015) to illustrate the consumer decision making process (see figure 1). In the following sections, we discuss each section in detail.
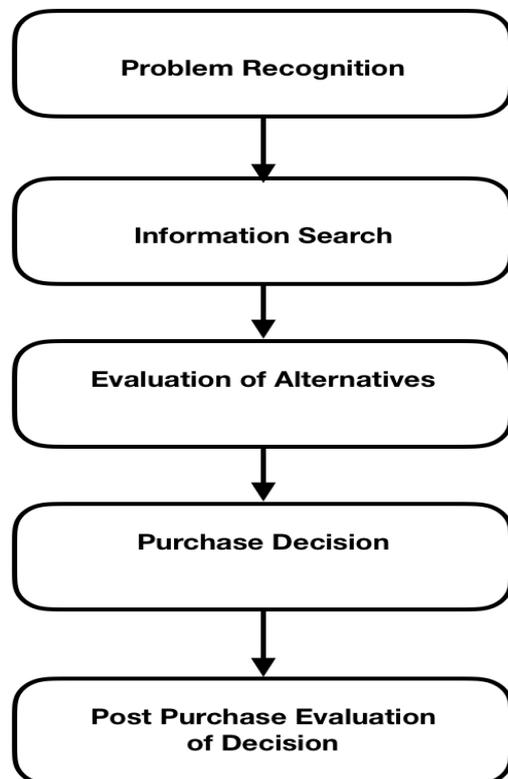
Figure 1. The consumer decision-making process

(Fahy & Jobber, Foundations of marketing, p.66 2015).

2.5.1 Problem recognition

Consumers do not purchase out of the same motives and it is important to be aware that all consumers act differently. Problem awareness is the first step in the process and this is when a consumer finds out that he or she needs to buy something. According to De Chernatony and McDonald (2010), the ideal time to receive marketing, where a consumer is most receptive to advertising, is when the consumer has a need. In order for a consumer to become observant of a need, he or she must be reminded that the need exists. Companies can thus remind the consumer of needs through marketing products that the consumer has shown interest for (De Chernatony & McDonald, 2010). The consumer can also recognize a need through internal stimuli similar to how someone would experience hunger or thirst. Marketing would practically work in the same way as when a consumer walks past an ice

cream truck a warm day and becomes peckish, spots the neighbors new car or get advertisement on flying somewhere (Kotler & Keller, 2015).

Kotler & Keller (2015) divides the consumer needs into basic and further advanced needs where the basic needs involves the satisfaction of the current need. An example of this would be to buy toothpaste to be able to brush teeth while an example of advanced needs would involve to buy toothpaste for getting whiter teeth and to get better breath. Further, Fahy and Jobber (2015) describes that the recognition of the problem can derive from predictable needs, as an outcome of shopping routines. Products such as gasoline, food and hygiene products are examples of predictable needs that the consumer purchases on a regular basis. The recognition can also consist of unpredictable needs, such as a broken smartphone or a malfunction with the consumer's car. These expenses cannot be forecasted and are therefore unpredictable needs.

2.5.2 Information search

Now that the recognition of a problem has been noticed, the consumer starts to search for information on the specific product that he or she needs to buy. The search for a solution happens internally or externally. Internal search refers to information from the individuals' own memory which is built upon previous experiences and marketing messages (Kotler & Keller, 2015). External search usually occurs when the consumer cannot find the solution within the internal search. Therefore, they have to rely on other people's opinions. External search also involves published product testing's, reviews and recommendations that the consumer can read or hear about (Fahy & Jobber, 2015). Further, Trang (2017) states that personal advertisement helps during this step in the process through providing the consumer with relevant product information and thus not making them waste time.

De Chernatony and McDonald (2010), claim that the consumer need can differ dependent on the characteristics of the need and that different brands aim to satisfy these different needs. Functional brands focus on technical details and tries to solve the main need whilst brands such as Tesla and Rolex focus on intangible benefits like belonging and identification. Experimental brands such as Hard Rock Café target needs related to experience, entertainment and cognitive stimuli. A consumer's state of need can differ over

time and can vary from one point of time to another. This implies that the consumer's information search process can vary dependent on what type of needs the consumer has.

2.5.3 Evaluation of alternatives

When enough information has been gathered, the consumer ends up with different possible alternatives. During this step of the process, the alternative products are usually evaluated and a handful of alternatives are chosen. The buyer then carefully evaluates the pros and cons of choosing one product over the others (Fahy & Jobber, 2015). De Chernatony and McDonald (2010) describes how a consumer acts during a situation of evaluation through assigning points for each benefit of the alternatives. Further, the consumer calculates and chooses the most advantageous alternative. This method of evaluation does however require that the consumer always base his or her choice on a rational basis which in reality might not be the case. Groceries as an example, are products that usually are purchased without a lot of evaluation and involvement and are thus not based on a rational basis. The evaluation can also actively or passively be affected by the brand of the product where the consumer may rate one product as better based on the feelings towards the brand. Unpredictable factors, such as a consumer becoming unemployed, can also affect the choice since the consumer now might have to consider buying a cheaper product (De Chernatony & McDonald, 2010).

2.5.4 Purchase decision

When the consumer, through careful evaluation of the different options, has decided on what product to choose, the consumer can go through with the purchase and buy the product (Fahy & Jobber, 2015; Kotler & Keller, 2015). However, even though a choice has been made about a specific product, the purchase decision can still be affected. This is the type of situation where many consumers are given the option to purchase complementary products or in general becomes attracted to buy more (Kotler & Keller, 2015). Wanger (2002), describes an example that many can recognize themselves in where a consumer goes to a store to buy milk and comes home with potato chips, a newspaper and a chocolate bar. Further, Wanger (2002) states that it works the same way with e-commerce and that consumers are more attracted to buy if previous purchases have corresponded to the expectations and if the company can keep what they have promised. If it previously has not

worked out as expected, the consumer is less likely to go through with the purchase. It is not uncommon that consumers, even after the evaluation of products, have second thoughts and dependent on the degree of certainty it is more or less easily occurred that this phenomenon happens.

Chevalier and Mazzalovo (2004) claims that it is impossible to know what an individual consumer wants. Scientists has tried to explain this through distinguishing rational and emotional motives where rational motives are based of values such as income. To explain emotional motives, psychology and sociology is used to describe why values such as the brand of the product matter. The purchase decision is thus usually more complex and cannot be answered with a simple yes or a no on whether a consumer chooses to purchase a product or not.

2.5.5 Post purchase evaluation of decision

Even though the purchase has been made the consumer might still be in the process of determining whether the purchase decision was good or bad. De Chernatony and McDonald (2010) claims consumers often seek support from acquaintances to ensure that the purchase decision was good. Behind the purchase of one product, a rejection of another one has been made through evaluation. Since the purchasing decision can be complex it is not uncommon for consumers to have second thoughts even after purchasing a product (Fahy & Jobber, 2015). Therefore, consumers usually become selective with the information he or she chooses to receive where only information that confirms that the purchase decision was good is accepted. What also can determine the level of satisfaction with the purchase is the consumers' expectations that he or she had before the purchase versus how well the expectations were met (De Chernatony & McDonald, 2010). The post purchase evaluation will also determine whether the consumer was satisfied or not with the overall experience. This will in turn affect further possibilities that the consumer completes another purchase with the company (Kotler & Keller, 2015).

2.6 Theoretical framework

The purpose with the literature review is to create a good theoretical framework to be able to draw conclusions that are in line with the purpose of the study. The collection of personal data is a vital part in the design of the personalized marketing (Dawn, 2014), and how this is done is determined by the company's CRM strategy (Choudhurya & Harrigan, 2014). The consumer perception literature describes how the perception of information works in the eyes of the consumer which can be applied to how personalized marketing is perceived. Different factors can affect the perception and two of the most common ones are past experiences and privacy concerns. Past experiences describe the relationship between consumer and company and how this can have an effect on the perception of personalized marketing (Reichheld & Schefter, 2000). The part about privacy concern is also of importance since it seeks to answer where the line is drawn for what can be interpreted as intrusive or not (Hong & Thong, 2013). How the consumer perceive the personalized marketing may affect the consumer decision making process.

The consumer decision making process derives from a model containing five steps that explains the process from the first step when a consumer demand is noticed, to the last step where evaluation of whether the purchase was good or bad is made (Fahy & Jobber, 2015; Kotler & Keller, 2015). This model allows for a deeper analysis where every step in the process can be discussed thoroughly and can be related to theories within the other chapters of the paper. Out of this literature, an entire picture of the perception on personalized marketing and how it affects the purchase decision-making process is given. With the literature review in mind, an analytical model has been created (See figure 2).
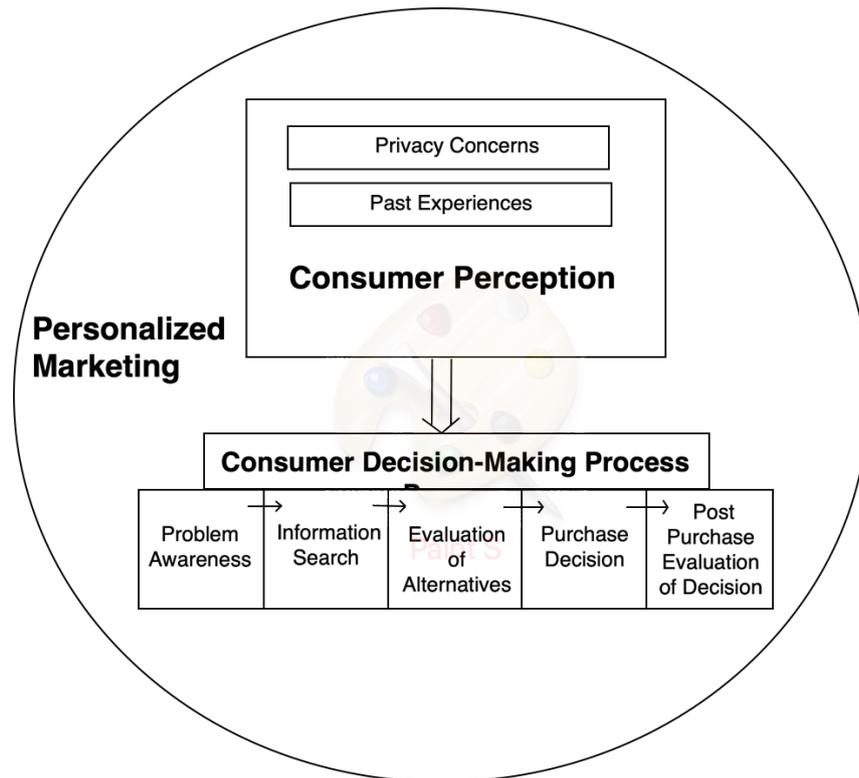
Figure 2. The perception of personalized marketing and how it affects the consumer decision making process

Inside the model, a sphere that represent personalized marketing can be seen. Personalized marketing is the main concept which refers to the flow of communication directed towards the individual. This concept aims to differentiate messages to each individual recipient that match their specific needs and preferences (van Doorn & Hoekstra, 2013). Within the sphere, a square that represent the consumer perception can be seen. The consumer perception is a complex process that involves analyzation of the environment that is interpreted by the individual (Blythe, 2008). In this square, privacy concerns and past experiences is placed in two different rectangles. This is done in order to separate them as two different factors, as the consumer perception is heavily affected by these two factors. Privacy concerns refers to the degree to which an individual is concerned about the collection and usage of his or her personal information (Hong & Thong, 2013). Past experiences, on the other hand, refers to a consumer's previous experiences with a company (Anyuan, 2014). Beneath the consumer perception-square, an arrow points to the consumer decision-making process, which indicates that this process is affected by the consumer

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perception of personalized marketing. Inside the consumer decision-making process, arrows is drawn between the different stages, which indicates that the consumer goes through one stage at the time.

If personalized marketing is positively perceived the consumer is more susceptible to it (Dawn, 2014). In the first stage, *problem awareness,* personalized marketing can work as a reminder that helps the consumer to recognize needs for a specific product. A positive perception can thus create problem awareness (De Chernatony & McDonald, 2010). If a problem awareness has emerged it allows the consumer to proceed to the second stage, which is *information search*. In this stage, personalized marketing can ease the searching process through reduced time consumption. Through providing consumers with relevant advertisement, they do not need to search for products themselves (Trang, 2017). After the search of information, the consumer moves on to the third stage, *evaluation of alternatives* (Fahy & Jobber, 2015). Here, the consumer compares advantages and disadvantages and if personalized marketing is received well, it generates advantages. The consumer then gets a product offer that is tailored to his or her individual needs and preferences, which increase the chances to purchase that specific product (Fahy & Jobber, 2015). However, if the personalized marketing is not able to accurately target the consumer the cons will surpass the pros (De Chernatony & McDonald, 2010).

In the fourth stage, *purchase decision*, the consumer has decided on which alternative to choose and now has to determine whether to purchase the product or not. If personalized marketing is received well in all of the previous stages, the probability of the consumer choosing to purchase that product from the specific company increases. If the perception is negative the consumer can choose not to go through with the purchase or buy it somewhere else (Fahy & Jobber, 2015). The last stage, which is *post purchase evaluation of decision,* refers to the evaluation of the purchase. The consumer will in this stage only seek to find information that supports the purchase decision (De Chernatony & McDonald, 2010). If the personalized marketing in this stage of the process for example offer products to better prices, the purchase decision will most likely be seen as bad. This can generate consequences of negative experiences with the advertising company which can harm the future relationship between the consumer and the company (Kotler & Keller, 2015).

3. Methodology

In this chapter our research philosophies, research approach, research design and strategy as well as how the interviews and the gathering of our empirical data was done will be presented. Further our approach of analyzing the empirical data will be discussed as well as creditability and transferability.

3.1 Research philosophies

A research philosophy refers to in what way data should be collected, analyzed and used. It is important to understand that a research philosophy is based upon beliefs and that there is not one correct answer on how data should be managed. According to Bryman and Bell (2017) there are three main philosophies which are presented as positivism, realism and interpretivism. Positivism is based upon prior theories to develop new hypotheses. The hypotheses are tested so that law-like generalizations and conclusions can be drawn. The research shall be free from evaluation and purely objective (Bryman & Bell, 2017). The second philosophy, which is realism, refers to that the reality exists independent of our claims and beliefs and the assumption that reality is essential as our minds views it. It is described as an artistic representation of reality as it is (Saunders, Lewis, & Thornhill, 2009). The third philosophy interpretivism is based upon that the social reality is created out of human thoughts and actions (Denscombe, 2018). The philosophy requires the researcher to capture the subjective meaning of the social action. It is not the absolute objective truth that matters, but rather the interpretation and understanding of people's thoughts and actions (Bryman & Bell, 2017).

Since this thesis is based upon individuals' interpretations regarding personalized marketing, the interpretative research philosophy is best suited for the research purpose. Individuals experience the world differently from each other, therefore, this thesis will not search for the absolute truth, but rather the individuals' understanding and interpretation of the personalized marketing phenomenon.

3.2 Research approaches

There are three different types of research approaches; *deductive, inductive and abductive* (Bryman & Bell, 2017). The deductive approach refers to the use of theories that already exist in order to test new theories or hypotheses. A deductive approach refers to that the researcher formulates hypotheses that are further subjected by empirical review in order to test if it is correct. The inductive approach aims to create new theories out of gathered data. By gathered data about previous occurrences a conclusion is induced. It is thus the researcher's collected data that constitutes the theory created (Bryman & Bell, 2017). The abductive approach is a mix of the inductive and deductive approaches. In this approach, the researcher is moving between the applied theories and the empirical data (Bryman & Bell, 2017). This thesis is based upon an abductive approach which is relevant to use because our central concept derives from existing theories whilst we are open for new potential findings. When existing theories could not explain some phenomena, we sought for new perspectives and explanations.

3.3 Research design

This study is an exploratory study and examines new unexplored areas in order to seek answers about people's thoughts regarding the studied phenomena. The exploratory design is useful in qualitative studies where the empirical data is based on interviews since this design allows flexibility and adaptability to different changes (Saunder et al. 2009).

Further, this study uses a qualitative research strategy which, according to Bryman and Bell (2017), is a research strategy where the focus during the collection and analysis of data is more often based on words than on quantitative variables. This view is supported by Denscombe (2018) who defines qualitative data as words and visual content. As the purpose of this study is to investigate the consumer perception of personalized marketing and how it affects the purchase decision making, the empirical data includes subjective responses based on the respondents' own perception. Since subjective responses often are difficult to quantify and creates limitations, we have chosen a qualitative strategy instead of a quantitative.

3.4 Interviews

The empirical data found in this study has been collected through semi-structured personal interviews. Since this thesis is an exploratory study with a qualitative strategy, interviews are a suitable method for data collection since it creates an opportunity for the respondents to express their opinions. Interviews also provide more in-depth and detailed data that generate valuable insights on further analysis (Denscombe, 2018).

The interviews are conducted in a semi-structured manner which means that all interviews follow a predetermined list of questions to be answered (Bryman & Bell, 2017). An advantage of having semi-structured interviews is that it gives interviewers an increased flexibility in terms of being able to ask follow-up questions, and at the same time give the respondents the opportunity to freely express their opinion. However, a disadvantage with semi-structured interviews is that they may deviate from the subject and thus lead to irrelevant topics of discussion. Our interviews are based on an interview guide written by us which cover the topic of our interest, to ensure that the requested information is answered. The increased flexibility also enables for other relevant information to be detected (Denscombe, 2018).

We collected 8 interviews where both authors of this thesis attended. We found value in the participation of us both since we could create our own perception of the interview and what was said. During the interviews, one took notes while the other one held the interview through presenting the subject, asking questions and also follow-up questions for additional depth. All interviews were done in physical form in small rooms without other people involved in order to create a relaxing atmosphere and decrease the risk of interruption. To perform interviews in a quiet place also improved the sound quality of our recordings.

Each interview lasted about 30 minutes. First, the subject of the research was presented and also the structure of the interview. We presented the subject of the thesis with caution not to reveal the specific purpose since this could have had an impact on the respondents' answers. We asked the respondents to sign a form of consent, allowing us to record the interview to be able to transcribe the material and later use the data for our research. We promised total anonymity in order to remove potential inconveniences with recording of the interview. We also promised to provide the respondents with a copy of the complete

thesis to create a feeling of reliability for the respondents since they have the possibility to review their sayings themselves. Below, a summary of the interviews is presented where each respondent was given a fictive name (See table 1).

Respondents	Age	Respondents	Age
Kajsa	53	Luke	51
Lisa	50	Carl	44
Christin	56	Mats	56
Olof	55	Ingrid	57

Table 1. A summary of the interviews

The questions that were asked in the interviews can be found in the interview guide (See appendix B). With the help of the interview guide we ensured that there was a red thread throughout the interviews. If the respondents had misinterpreted a question we were careful not to interrupt the answer. We then rephrased the question to ensure that they discussed the related topics. Towards the end of each interview, we made sure that all questions were answered to avoid further usage of the respondents' time.

3.5 Participants selection

The research questions posed were crucial for the type of respondents that were interviewed (Ahrne & Svensson, 2015). Since there was a lack of resources in order to make a more comprehensive study, we made a comfort selection where we chose to interview people within our acquaintance living in the vicinity of Kristianstad. A comfort selection is an effective approach since our budget was limited in terms of both cost and time (Denscombe, 2018). In order to ensure that the respondents could provide us with answers that fulfil the purpose of the study, two criteria were used. These criteria implied that respondents were (1) between the ages of 40-59 years old and (2) had engaged in e-commerce and encountered personalized marketing within the last 6 months. The choice of age was based partly on the fact that the majority of previous studies had investigated the age group 20-30 years old, as these were considered to be the most frequent users of the Internet (Internet World Stats, 2019). This generation has, through its youth, been exposed to information technology to a larger extent than previous generations and thus has a different relationship

with the Internet. Therefore, we chose respondents who through their upbringing have not seen the internet as a matter of course. The choice of engagement in e-commerce ensured that the respondents had used e-commerce before and thus has probably been exposed to personal marketing before in order to give us valuable contribution to our empirical data.

3.6 Data analysis

There are no obvious rules regarding how qualitative data should be analyzed, but grounded theory is the most common approach to use. Therefore, our analysis of the empirical material is inspired by grounded theory. The purpose of coding is to find patterns of the collected data that creates sense of the collected material (Bryman & Bell, 2017). Coding is important in generating a theory (Ahrne & Svensson, 2017) and it helped us to identify both similarities and differences in the respondent's answers (see appendix A). According to Bryman and Bell (2017) there are three stages when coding data using a grounded theory approach. The first stage is called open coding and refers to break down, compare, conceptualize and categorize data in order to find theoretical concepts in order to capture an overall picture (Ahrne & Svensson, 2017; Bryman & Bell, 2017). In this stage, we tried to categorize all original codes which ended up in approximately 50 categories. Even though it gave us a grip of the codes, it became overwhelming to discuss all these categories.

The second stage is called axial coding which refers to that the findings in the open coding stage is categorized by creating links between categories (Bryman & Bell, 2017). In this stage, we searched for similarities and differences among the many categories where we compressed similar expressions and citations into groups. This reduced the categories which made the categories more manageable (Gioia, Corley, & Hamilton, 2012). The third step that is called selective coding refers to select core themes which the focus lies on (Bryman & Bell, 2017). In this stage, we sorted the material once again into common denominators. When this was done, we discussed and compared the data to make sure that we agreed with each other. By categorizing, we were able to create an image of the data (Gioia, Corley, & Hamilton, 2012), which led to the findings that are presented in the next chapter. As we coded our empirical findings, we reached a theoretical saturation, since there were fewer parts to illuminate (Bryman & Bell, 2017).

3.7 Creditability and transferability, dependability and confirmability

According to Bryman and Bell (2017), *credibility, transferability, dependability and confirmability* are the four categories that achieves validity. *Credibility* refers to in what degree the researcher has perceived the reality correctly. To ensure credibility all interviews were recorded and later transcribed. The transcript was later sent to the respondent to have it accepted. The research has to follow set rules and it also has to be respondent validated. Respondent validation refers to that the respondents of the study are able to agree that the reality is correctly portrayed by taking part of the results. Transferability refers to whether the results are applicable in other contexts and on other situations. The transferability may be insufficient since our thesis only affect e-commerce companies. It is hard to tell whether our result is applicable to other situations. Further, dependability is about record keeping of completed interviews, transcriptions and other data in a consistently and transparent way. All of the collected data is stored on our own devices. Lastly, confirmability refers to that the researcher is aiming to complete the study in good faith and without adding personal values (Bryman & Bell, 2017).

3.8 Demarcations

The thesis is written from a consumer perspective, and in order to further narrow down the research we have made the decision to focus on personalized marketing within e-commerce. Even though personalized marketing can be found in physical form we have chosen to limit our study to e-commerce since this is an emerging way of shopping. Our respondents consist of people within the ages of 40-59 years old since, to the best of our knowledge, the majority of studies that have been made has involved the ages of people whom have been born into the era of technology. Therefore, we want to see how people in the age span of 40-59 perceive personalized marketing since people in this age span have not been raised into the era of technology and, therefore, they have had to adapt. We will also limit our study to respondents in Sweden for practical reasons.

4. Analysis

In the following chapter, the empirical data that were collected through our interviews is presented and analyzed. The section will begin with the empirical data regarding the consumer perception of personalized marketing. Secondly, the empirical data on how past experiences and privacy concerns may impact the consumer perception is highlighted. This is followed by the empirical data of how the perception of personalized marketing affect the consumer buying decision-making process.

4.1 The consumer perception of personalized marketing

The consumer perception of personalized marketing can vary from individual to individual. Therefore, it can be difficult to map out preferences to a specific target group since each individual is unique. The analysis below presents consumer opinions on the perception of personalized marketing which discusses the view of the differences between personalized marketing and traditional marketing. Furthermore, the importance of the perceived genuineness in personalized marketing is analyzed followed by how personalized marketing can be perceived as an added value or as a distraction.

4.1.1 Personalized marketing versus traditional marketing

Based on the respondents' answers, it can be confirmed that personalized marketing is something that e-commerce companies actively are working with as this is something that all respondents have been exposed to. The perception, feelings and thoughts of personalized marketing does however differ between the consumers. According to Choudhurya and Harrigan (2014), personalized marketing has the ability to create greater value for the consumer since it involves identification of consumers' needs. Some of the respondents appreciated that companies know their preferences and customize offers, while others felt like there is a lack of genuineness and that personalized messages mostly annoys them.

However, the majority of the respondents appreciated and were positive towards personalized marketing compared to traditional marketing. Personalized marketing seems to be perceived as much more interesting and appealing to the consumers. Since the advertisement is based on the individual consumer's needs and behavior, the advertisement becomes more relevant and resembles the actual needs that the consumer has. The

traditional marketing puts focus on bigger target groups which makes it difficult to match the consumer's preferences and deliver accurate advertisement. Hence, it is reasonable to assume that personalized marketing is more acceptable compared to traditional marketing. Lisa, 50, responded to the question of whether personalized marketing is preferable compared to traditional marketing by saying: *"Yes, I would probably think so, I would say that personalized advertisement puts me in focus which I find more appealing."*

To an extent, respondents perceive traditional marketing as more annoying compared to personalized marketing. It is important that the advertisement corresponds to the needs of the consumer in order to create a greater value (Trang, 2017). Christin, 56, believes that personalized marketing to an extent captures her interest as she finds the advertisement more relevant. She expects good advertisement to be accurate and offer her products that she is in need of. Traditional advertisement is more of a burden which she in most cases chooses to ignore. In other words, Christin means that personalized marketing generates more relevance if it meets her needs, which leads to that the perception becomes more positive. Based on this, it is reasonable to claim that a well-designed personalized marketing has the opportunity to benefit the relationship between consumer and company where a good relationship contributes to increased consumer trust. This in turn means that the perception of personalized marketing becomes positive as expectations of the advertisements are met (Gellynck et al., 2009).

To create a greater value, it is important for the consumer to feel unique and noticed which implies that consideration must be taken to the various preferences consumers might have (Kumar & Reinartz, 2012). This is something that the respondents confirmed since personalized marketing is seen as more valuable to the consumer than traditional marketing. The ability to match preferences is something that usually is appreciated by the respondents and is seen as a tool that streamlines the process in the search for products. As Mats, 56, claimed: *"Usually I do not have time to sit down and search for products in general on the internet, ehm, it is therefore important for me that it goes as fast as possible."* This shows that if personalized marketing matches the consumer's online behavior and needs, it creates a more positive perception of the advertisement. Thus, value has been created for both parties since the consumer gets an overall better experience while the company can maintain consumers as well as getting new ones.

4.1.2 The importance of genuineness

Even if the personalized marketing in general was preferred over traditional marketing it was clear that some respondents did not appreciate it. Even if Lisa, 50, prefers personalized marketing, she explained how it, in many cases, can be perceived as pushy and sales oriented. Further, she stated that this contributed to a negative perception of the company and its marketing methods since she gets a feeling that the company is not working in the consumers' best interest. In other words, there is a lack of genuineness in the received marketing message. Kajsa, 53, said: *"Sometimes you get the feeling that it is too pushy and not destined to support me as a consumer. You simply get the feeling that the company solely wants to sell its product."* As personalized marketing is a flow of communication directed to the individual consumer (White et al., 2007), it can create a perception that the advertisement is pushier than traditional marketing. Personalized offers are tailored dependent on data that have been collected from previous purchases and browser history which most likely makes personalized marketing perceived as too accurate and pushy (van Doorn & Hoekstra, 2013). All of the respondents claimed that this in turn can lead to the feeling that he or she has lost control over being able to choose whether to take use of the advertisement or not.

Gurleen (2012) highlights that the consumers' perception online risks to be affected negatively if something feels pushy or intrusive. This is confirmed from the respondent's answers where a too intrusive personalized marketing is perceived as a decrease in control. Carl, 44, explained that if he feels that personalized offers only exist in order for companies to increase their sales, his experience of it becomes very negative as the personal connection does not feel genuine. Further, he gave an example: "*Sometimes you can receive offerings including products that you buy frequently where it says, buy this product to this price but hurry up as there is only five copies left. This does not feel genuine and I do not feel like I can benefit from taking the deal"*. This is also confirmed by Luke, 51, as he claimed that:

> it cannot become too intrusive. I have received emails from companies with offers of educations. It did not take them more than five seconds after I had taken a look at the offer before the company called me as they noticed me receiving their offer. That is when I think it becomes intrusive, too sales oriented and I have no possibility to choose for myself if I want to take part of the offer or not.

From this, it is clear that when personalized marketing does not feel genuine but instead intrusive, the consumer feels like the genuine interest to help the consumer disappears even if the advertisement is based on the consumers' online behavior. Gurleen (2012) describes the authenticity of the message as very important which the respondents also confirmed with reappearing answers to the questions. It indicates that this plays a vital role to the respondents when tailored offers are received. Personalized marketing becomes less attractive if a clear focus on sales can be spotted and thus the motive for getting to know the consumer is perceived as fake. However, if the consumer feels like the company acts in the interest of the consumer and can offer products that match their needs and preferences, the marketing can be perceived as positive.

Christin, 56, stated that if personalized marketing feels genuine, she is more susceptible to it and the overall experience becomes satisfactory. Genuineness makes her feel that she is in focus and that companies work in favor for her. This is in line with what Gellynck et al. (2009) explained, that how the consumer receives the message derives from the perception of it. Thus it is likely that genuineness plays a vital role in how the consumer perceive personalized marketing and to what degree the perception can be affected by it.

4.1.3 Personalized marketing as added value

The respondents that had a positive attitude of personalized marketing described their appreciation on a well working personalized marketing in similar ways. Personalized marketing is perceived as something positive when the advertisement matches the consumer needs and preferences. Some things that the respondents claimed to add value was when personalized marketing (1) reminded and thus facilitated the process of searching for products that the consumer previously has shown an interest for, (2) gave suggestions on similar products and (3) informed consumers of new products. A reappearing answer among the respondents was that they appreciated how personalized marketing usually could remind them of products they had shown interest for but not yet bought. This makes it possible to ensure that the need to actually obtain the product exists. Carl, 44, gave the following answer: "*I appreciate that it reminds me of products that I might have put aside. It makes me rethink a little extra and maybe come to the conclusion that I actually need the product.*

First of all, personalized marketing helps the consumer to streamline the information search process since the advertisement is based on the consumer's preferences and previous browser history (Trang, 2017). This is confirmed by Luke, 51, who sees a well-designed advertisement as something convenient and positive. Through receiving advertisement based on the consumer's interests and previous browsing history, Luke can get help with searching for products that fit his needs. We can thus see a trend among the respondents which indicates that personalized marketing can provide value through serving suggestions on relevant products, and thus the consumer does not have to search for them themselves. This in turn creates a bigger value, which can make the personalized marketing perceived as an extra service. This matches Kumar and Reinartz (2012) description that accurate marketing increases the value of the experience.

Secondly, personalized marketing of similar or complementing products was something that could be interpreted as valuable to the respondents. Lisa, 50, described an experience where her family ordered a trip online and received advertisement on hotels in the vicinity. She appreciated this a lot and says that it increased the added value to the experience. In line with what Grönroos (2004) says, added value is created when the consumer feels like consumer satisfaction surpass what is expected when purchasing a product or a service. Ingrid, 57, gave the following example: *"Say that I would buy a smartphone and I receive an offer of buying a shell that fits. It then feels like they create a package for me only and my experience will be positive due to good service."* This increases both the comfort for the consumer and also creates a positive perception of the personalized offers.

Thirdly, to what degree personalized marketing inform consumers of new products is also an important factor in the respondents' perception. The respondents' answers indicated that if it informs the consumer about new products, it is seen as an extra service. Kajsa, 53, claimed that if she is informed of new products on the market that matches her needs and preferences she feels like this adds value to the experience. Similarly, Christin, 56, agrees and stated that she thinks personalized marketing fills a great function if it gives her information of new products. This further exemplifies how personalized marketing can add value through being accurate.

4.1.3 Personalized marketing as a distraction

According to Gellynck et at. (2009), perception is something that is based on how expectations are met, where a mismatch entails a negative perception. Personalized marketing can be perceived as a distraction for the respondents' dependent on different factors. Christin, 56, gave the following example of this: *"If you, for example, watch YouTube and commercial suddenly appears it can of course be very upsetting."* When the purpose, as in this case was to watch videos, is interrupted by advertisement feelings of irritation can occur because the expectations of watching the video cannot be met. Further, this will affect the perception in a negative way because the main intentions get interrupted. This is in line with Gellynck et al., (2009) description where they state that the perception can be affected negatively if intentions are interrupted. This interruption can cause the annoyance to be associated with the company itself, which then generates the opposite effect from the purpose of the marketing. If the same advertisement had been made elsewhere, where it had not disturbed the main purpose, it would probably have been received more positively and possibly been appreciated.

Luke, 51, explained that he sees irrelevant advertisement, that can arise from inadequate information about the consumer, as annoying and irritating. He explained how personalized marketing is expected to match his interests and offer products based on his needs. When it does not, he perceives the advertisements as annoying and negative in general. This is what Gellynck et al. (2009) means when saying that the perception to an extent is affected by the expectations.

Even though all respondents thought that personalized marketing can be a distraction, the reason for causing it varied. Olof, 55, described that he sees it as a distraction often even if he does not dislike the product itself. Further, he explained that personalized marketing can cause him irritation if the timing is inappropriate. Christin, Luke and Olof described in different ways how personalized marketing can be seen as a distraction. According to Blythe (2008) this could be because the perception to a degree is affected by the subconscious and how the individual is as a person. In other words, it is the subconscious that can determine how a consumer perceive the situation in comparison to someone else, even though both of them are in the exact same situation. With this in mind, it is possible

that the subconscious makes one consumer perceive personalized marketing as a distraction while another does not.

4.2 The impact of past experiences and privacy concerns

Privacy concerns and past experiences are two factors that largely affect the consumer's perception when he or she engage in e-commerce. The Internet makes it harder for consumers to stay anonymous and their personal data can easily be collected by companies (Caudill & Murphy, 2000). This creates bigger concerns as the control and choice of sharing information decreases. At the same time, past positive experiences has a huge impact on the perception where past experiences contribute to decreased concern and increased trust.

4.2.1 Past experiences affect the perception of personalized marketing

Past experiences is something that affects the perception of the personalized marketing for the majority of the respondents, as past experiences seem to affect the relationship between consumer and company. Dependent on what the respondents have experienced with the companies, the perception varies. The majority of the respondents' stated that if they have had positive past experiences with a company they feel safe since they know that if anything would go wrong the error can be fixed. A good relationship has according to Grönroos (2004) the ability to create control, safety and trust. This is something that Ingrid, 57, agrees with when she said the following: *"Of course, if I have had positive experiences with a company in the past, I trust the personalized marketing to make me satisfied. I get the feeling, from past experiences, that the company wants to add value for me as a consumer."*

A reappearing answer among the respondents was that positive past experiences makes them feel like the company actually is working to target the consumers' preferences and needs since it has been done before. Past consumer satisfaction is in other words something that creates good experiences for the respondents. This match Anyuan's (2014) theory that claims that high consumer satisfaction creates positive experience that further tends to generate positive perceptions of the company's actions. Carl, 44, confirmed that positive experiences create a positive perception of personalized marketing. He described that if he receives personalized advertisement from a company he has previous affairs with he feels more susceptible to it and finds it more helpful. Through that, it can be more beneficial for

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Carl and also most of the other respondents since it becomes more appreciated which in turn enhances the added value for the consumer. Past experiences, positive as well as negative, plays a vital role to the perception and thus contributes to the consumer becoming more or less susceptible to the advertisement.

4.2.2 Past experiences affect consumer trust

Trust is something that is created through a well preserved relationship which in turn is created through positive past experiences (Grönroos, 2004). All of the respondents' claimed that positive past experiences make them feel more confident to trust the company since they feel like they have a good relationship with them. An important factor is recognition which goes hand in hand with past experiences and is something that plays a crucial role for the respondents. The trust towards the company may imply that the respondents perceive the personalized marketing as more positive, which in turn may make them more susceptible to the content. Kajsa, 53, explained this as: *"My perception becomes more positive if I have had good experiences from before and I feel like my willingness to actually make use of the commercial as a helpful tool. Of course I trust these companies more."*

Trust is important when interacting with e-commerce since this is seen as riskier (Gurleen, 2012). Positive past experiences can decrease the perceived risk since the consumer knows what he or she will get in return (Grönroos, 2004; Reichheld & Schefter, 2000). Luke, 51, explained how his past experiences evolve into feelings of trust towards a company after he have been shopping from them over time. If the company has been able to provide solutions for his needs before, he will feel that their personalized marketing is something that he can benefit from partaking in. Other respondents also highlighted this in their answers and showed that trust affects the perception of personalized marketing in a positive way. The positive reception can thus generate better conditions for creating a strong relationship between consumer and company.

Trust does however not need to only derive from one's own positive past experiences. It can also, according to Ingrid, 57, be based on other people's past experiences. Recommendations and reviews, which Blythe (2008) entitle as word-of-mouth and word-of-mouse, contributes to an increased trust in the company for her. Lisa, 50, supports this

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argument through the following comment: "[...] *I usually go with recommendations or references when I shop online, Stella* (her friend) *bought a robot vacuum cleaner and when she told us how good it was we went online and bought the same one.*" Through recommendations by others the trust in companies can increase, probably because the consumer trust the public opinion.

Luke, 51, also described how he through web pages, such as Pricerunner or Prisjakt, not only compare prices on different product but also read reviews that other consumers have posted after purchasing a product. Other people's confirmation can in that way work as recommendations and certify that the company that advertises the products is trustworthy which in turn increases the trust. Thus, this can be a determining factor of whether the consumer chooses to purchase from one company or another. Out of this, trust has derived from other consumers' experiences of interaction with the company. The trust, which originates from previous experiences, affects the perception of personalized marketing to the extent that the respondents are more likely to take on personalized advertisement, which can lead to a purchase. The extent to which this affects purchase intentions will be discussed later in section 4.3 Consumer Decision-Making Process.

4.2.3 Privacy concerns of personal data

A question that was asked during the interviews was to what degree the respondents reflected over the amount of data they leave behind when shopping online and how companies use this personal information. Kajsa, 53, answered the following:

> Somehow it feels uncomfortable in how they can know so much about people's lives but at the same time, you cannot walk around and be scared. Of course I worry though, how do they know what I usually do. But at the same time it is not something that I wander around and think too much about.

Most of the respondents said that they find it unpleasant to see how much companies know about their personal life and purchasing behavior online. According to Caudill and Murphy (2000), consumer behavior patterns have been studied in many years without causing any major headlines. Why there is a bigger privacy concern now is believed to depend on the difference in consumer behavior from when the Internet did not exist contra how it is now. The possibilities to stay anonymous was bigger before the Internet, whilst personal

information nowadays are left all over the Internet (Caudill & Murphy, 2000). Therefore, it is likely that when the consumer feels that anonymity disappears and she or he feels that their individual behavior is being studied, the degree of privacy concerns increases. The probability for the perception of personalized marketing to become negative increases if the consumer feels worried about the collection of personal information.

A reappearing theme regarding whether the respondents feel concerned or not on how their personal information is collected and managed may depend on what company the consumer engage with. Trust is of importance here and has a determinant role for the perception of personalized marketing. Christin, 56, explained that interaction with companies, that are well known for her, decrease the level of concern on how personal data is collected and managed. Therefore, it is possible to assume that consumers to a greater extent are more comfortable that a company collect personal information about them if it is known from before.

Contrary to this, the majority of the respondents mentioned that they feel more concerned about letting unknown companies collect and manage their personal data. Hong and Thong (2013) describes this in the theory regarding IPC and the presented empirical data can be connected to the dimension called *collection*. Thus, it is likely that the personalized marketing is perceived as negative if consumers experience privacy concerns regarding the collection of their personal information. It should however be mentioned that this is something that affects the respondents to varying degrees, which means that the perception of personalized marketing also varies.

4.2.4 Lack of privacy control
The loss of control of personal data and how it is managed is something that concerns the respondents and affect their perception of the personalized marketing they are exposed to. Olof, 55, claimed that he thinks it is uncomfortable not to know how and by who the data will be used. The loss of control interacts with the *Control* dimension, which highlights concerns about the decreased control over personal information (Hong & Thong, 2013). The dimension *Improper Access,* which raises the concerns about the fact that your personal information becomes available to unauthorized persons (Hong & Thong, 2013), is also in

line with what Olof, 55, described. Kajsa, 53, also claimed that if she feels that she is not in control of how the company has collected her personal information, it makes her more concerned that her privacy will be unprotected. If a personalized offer is received that contains personal information that she has not deliberately disclosed, her perception will be extremely negative and the offer will be deleted. Hence, it seems that privacy concerns create a fear of losing control against the company, which seems to result in a more cautious approach.

It is noteworthy that the majority of the respondents, on the other hand, do not attach much importance to whether they are aware or not of how companies use personal information that already is disclosed. Kajsa, 53, described that although it makes her worried about the loss of control, it does not matter if she is aware of how her personal data that already is disclosed is handled. This is confirmed by the other respondents in our research and it seems to be based on the fact that they do not have sufficient knowledge of how it works. Their awareness of that today's society is built upon the technology makes it easier to accept just what it is. The answers oppose the dimension *awareness* which describes that concern is created through the lack of awareness of how companies handle one's personal information (Hong & Thong, 2013). Mats, 56, clarified this: *"If you find it uncomfortable not to know what is happening, but so, uh, then you are exposed to it all the time, then you will not find it equally uncomfortable."* The concern which is described in *awareness* seems to diminish even though it was a concern for him in the beginning. Constant exposure of personalized marketing removes the discomfort of the lack of awareness. Therefore, it is reasonable to assume that the dimension *awareness* does not affect the consumer perception of personalized marketing.

Also, whether the personal information is used for purposes other than marketing does not seem to concern the respondents significantly. Ingrid, 57, described this in the following way: *"I would lie if I claimed to be insecure with it. After all, I do not know what they are doing so it does not matter to me so much."* Concern according to the dimension *Secondary Usage*, which refers to concerns of that one's personal information is used in other purposes than what is expected (Hong & Thong, 2013), does not exist in Ingrid's case. This seems to depend on ignorance and a clear sign of this is that none of the respondents care much about

it, which in turn remove the concerns. What contributes is instead whether they feel that they are in control or not.

4.2.5 Privacy paradox

"When using personalized services or receiving customized recommendations, the personalization-privacy paradox may occur." (Pappas, 2018, p. 2). The paradox illustrates that a choice has to be made between the advantages with personalized marketing and the potential privacy concerns it may cause. Ingrid, 57, explained this:

> I think that personalized advertisement is good in many ways, but there are also situations where I do not like it. That someone else knows what I like to do and where I like to do my shopping and hence my preferences, uh, is something that I found unpleasant. But it is at the same time good since I will receive offers directed at me. This is comfortable and it creates benefits for me

There are many things that create concerns within e-commerce, and the disclosure of personal data is not something that is preferred. However, benefits such as a personalized offer that provides the consumer with cheaper prices, may compensate for the concerns. Olof, 55, explained that even though he is not a big fan of personalized marketing, he can still find it valuable sometimes. The concern that companies get access to their personal information does not seem to be as negative as the comfort is positive. If personalized marketing generates advantages in return, the respondents are more likely to allow companies to collect information about them. If, on the other hand, it is perceived that it is only about the company wanting to increase their sales at the expense of the consumers' personal needs and preferences, this causes more skepticism among consumers. This may result in that the perception of personalized marketing becomes negative only which means that consumers choose another company instead.

4.3 The consumer decision-making process

The stages in the consumer decision-making process is to varying degrees affected by personalized marketing and the consumer perception of it. Some consumers perceive it as positive while others perceive it negatively which in turn impacts the five different stages of the process. This will be discussed in the following sections.

4.3.1 The impact of personalized marketing on problem awareness

To be aware that there is a need of a product, consumers has to be reminded. Since personalized marketing is based on the individual consumer's preferences, the probability of identifying a need increases (De Chernatony & McDonald, 2010). Regarding the question on how personalized marketing can help the respondents to identify needs, Carl, 44, said: *"If I perceive the personalized marketing as something good it will be easier for me to make use of it. It will then work as a positive reminder which makes me think and realize that I need something."*

If personalized marketing is perceived as positive, the probability increases for the consumer to become more susceptible and see it as a reminder. Further Carl explained that the last time he thought of buying a new product it was the personalized advertisement that he was exposed to that in the end made him realize that he needed to buy that product. Since he perceived it as positive he was more susceptible to it, which made him see the advertisement as something positive instead of a distraction. This goes in line with De Chernatony and McDonald (2010) description where it is stated that companies are able to remind consumers of their existing need, if they market products that match their interest. Therefore, it is reasonable to assume that the perception of personalized marketing plays a vital role in the *problem awareness* stage.

According to Kotler and Keller (2015), a problem awareness can also be recognized by internal stimuli. Marketing, and especially personalized marketing, has the ability to affect the internal stimuli and triggers unaware needs. If the feeling of wanting to have something exists, the consumer tends to change his or her online consumer behavior by actively searching for it. Marketers can benefit from this and tailor advertisement so that it saturates consumer needs. Ingrid, 57, described this as:

> I can get real cravings on spontaneously buying a last minute trip to a warmer place when the weather at home is bad. In those cases, I usually search the Internet and dream myself away and, eh, it has actually happened that me and my husband have done this while both of us have had time off, I received an advertisement that was appealing when I read the news online and we simply booked the trip

Ingrid's answer indicates that the personalized marketing managed to capture her interest, which resulted in an awareness of that a problem existed. Based on her online behavior and her previous search history, the company managed to utilize her behavior so that Ingrid recognized her need. By marketing trips to sunnier countries when the forecast weather in Sweden was bad, they offered a solution for her problem in the right time. This indicates that a well performed personalized offer, that match the interest of the consumer without causing any incentives for worry or distrust, affect how the consumer will become aware of his or her problem. Since it is based on personal preferences, the consumer will most likely associate the personalized advertisement with his or her need. Hence, it is likely that one's subconscious also plays a role as one may not reflect on the problem but become aware of it from advertisement.

4.3.2 The impact of personalized marketing on information search
The process of searching for information starts with consumers searching internally which refers to the individuals own memory, past experiences and marketing messages. If the internal search does not fulfill the purpose, the individual will extend the search to external sources such as recommendations, reviews and published product testing (Fahy & Jobber, 2015). The majority of the respondents' stated that they start by searching for the wanted product on Google and further compare different websites which goes in line with what has been stated in the information search process. However, Lisa, 50, claimed that some of her online purchases starts with her asking friends or other acquaintances for recommendation which resembles the external search for information. Her way of searching for information contradicts the way Kotler and Keller (2015) describes it by starting with the external search instead of the internal search.

Trang (2017) claims that personalized marketing can be helpful for the consumer by providing them with relevant products to ease the information search process. Olof, 55, described how he is affected by personalized marketing during the process of searching information: "*But if personalized advertisement appears in my searching process it can affect my decision and I might decide to search for that specific product that is offered in the personalized advertisement.*" Trang (2017) describes this as a solution for time wasted on searching when offerings can provide the consumer with the product instead. Lisa, 50,

agrees with this by saying that her time is valuable and that she cannot afford to spend too much time on searching for the products that she needs. Mats, 56, also agrees with the claim that personalized marketing is timesaving and helpful during the process of searching for information. However, he does also say that he finds this step of the process amusing and probably would search and compare products even if offerings perfectly suited him. Mats, 56, said:

> It may help me through providing suggestions on products so I don't have to sit and search myself. I can however think that it is pretty fun to look for products online and I would rather have checked myself than just log in, purchase and then close the laptop again. Sometimes I go online just to window-shop for example.

What Mats, 56, said indicates that personalized marketing indeed is a method for saving time during the information search process. However, from his perspective, the time spent on information search can contribute to the overall experience in a positive way since it does not bother him but is rather something enjoyable. Personalized marketing can to some extent influence the information search, but the general perception seems to be that it does not have such a big impact.

4.3.3 The impact of personalized marketing when evaluating alternatives

When a consumer evaluates the different alternatives of products he or she lists pros and cons in order to choose the most advantageous one (De Chernatony & McDonald, 2010). The most important factor for the majority of the respondents is the price where a good price is more crucial than cool details. Olof, 55, said: *"It is largely the price which is the crucial factor for whether I buy or not."* Christin, 56, also confirmed that price plays a vital role: *"To me the price in the offer is essential. If I feel like the personalized offer of the product provides me with fair price, the probability of me buying it increases."* To an extent it is the price that decides what a consumer chooses to purchase, which also is confirmed in Kotler and Kellers (2015) theory. If the personalized marketing is perceived positive and provides consumers with advantageous prices, the probability increases to buy that product instead of comparing with different equivalent products.

Another important factor that plays a role to the consumers in the evaluation of alternatives stage is how previous purchases are managed by the companies. Some of the respondents

admitted that if they from before have had good experiences with the company they perceive the personalized marketing as better which makes them see it as beneficial. "*Price is important but I would just as much imagine myself paying a little extra at Nike since my concern of being fooled is minimal because I know that I can trust them.*" (Kajsa, 53). Kajsa's positive past experiences with Nike makes her attitude positive towards their personalized offers. It is possible to connect this to Kotler and Keller's (2015) theory about that evaluation can be affected by factors such as past experiences. If the consumer is satisfied with how the personalized marketing is designed, it can facilitate the process of evaluating alternatives. A well-known brand affects the safety in making a good decision when evaluating alternatives.

From the respondents' answers it is fair to assume that personalized marketing in various degrees affects the evaluation of alternatives. For some respondents' price is the most determinant factor and if the personal offer does not offer a reasonable price then the advertisement cannot be claimed to affect their evaluation. Others said that past experiences are of great importance as it generates trust and thus plays a bigger role when receiving personalized offers for the evaluation of alternatives. Positive past experiences make them more susceptible to the personalized marketing and they find this to be a big advantage. That not all respondents have the same view on things matches Fahy and Jobber (2015) statement which says that all individual habits over the Internet differs and it is important to address that each consumer is unique. However, it is reasonable to assume that when personalized marketing is perceived as positive, consumer needs and preferences are met. It increases the probability to influence how consumers evaluate alternatives ahead of them. If the price is fair and past experiences have been positive, which in turn reduce privacy concerns, the product from the marketing company is chosen to a greater extent.

4.3.4 The impact of personalized marketing on the purchase decision

"*That they just want to sell instead of genuinely want to offer me something based on my interest and behavior. Then I perceive it as negative and I actively choose not to go through with the purchase even though I earlier decided to buy that specific product.*" *(Kajsa, 53)*. With this statement, Kajsa, 53, made it clear that a negative perception of personalized marketing makes her decide not to buy the product, even if she has earlier decided to buy

that product. This goes in line with what Kotler and Kellers (2015) describes as how the consumer's choice to purchase or not can be changed even if previous decisions have been made. A negative perception of the personalized marketing creates irritation which increases the risks of the consumer deciding not to purchase the product.

The impact of personalized marketing on the purchase decision can result in a change of purchase intensions. It is common that personalized offers contain complementary products which may make the consumer buy more than intended (Wanger, 2002). Christin, 56, said that she has received ads on complementary products such as headphones to a cellphone that she recently bought which made her buy that as well. However, she pointed out that it may worry her that other companies know that she just bought a phone and, in some cases, this may cause her to feel anxious which in the future will make her reject the advertisement. Thus, it is important that IPC do not occur since this can affect the perception of personalized marketing negatively. Wanger (2002) states that a negative perception decreases the probability for the consumer to go through with a purchase in order not to share personal information and benefit the company. This is confirmed by the respondents where Olof, 55, pointed out that: *"If a company, where I, ehm, do not have good experiences with from the past, sends me personalized offers I will not buy their product. I do not want them to know anything about me."* Most of the respondents claimed that they, in situations like this, can choose to purchase the product somewhere else as the product itself will fill the same function. Thus, it is reasonable to assume that the perception of personalized marketing affect consumers in their decision on whether to buy or not in various ways. However, it cannot be assumed to say that the perception decides whether the purchase is done or not as the respondents say that the purchase might as well can be done through another company. Past experiences also seem to play a vital role since this often is highlighted as the most important factor of how the perception is affected.

4.3.5 The impact of personalized marketing on the post evaluation of purchase decision
During this phase of the process, the actual purchase decision cannot be affected since the purchase already has been done (Kotler & Keller, 2015). Personalized marketing can however affect the consumer's thoughts about the overall experience during the evaluation of purchase decision. The majority of the respondent stated that feelings of irritation can

occur if personalized offers of the product appear after the purchase. Both Ingrid, 57, and Mats, 56, described situations where they have been exposed to personalized marketing after they have purchased something. They stated that it can be very irritating to constantly receive offers of the product that they already have and that companies should know that another copy of the product does not interest them. They also said that these offers can show up in their feed as long as up to a week after the purchase was done. Kajsa, 53, described her feelings towards late arriving personalized messages through saying in the following way: *"It is irritating. You think, oh here comes commercial again. I mean, I have already bought the shoes and if the company supposedly have that much information about me since earlier they should know that I no longer is in need of shoes. It does not contribute to a positive experience so to say. You can get pissed simply."*

De Chernatony and McDonald (2010) claim that consumers who are in the stage of purchase decision evaluation only seek to find support saying that the decision was good and rejects critic against the purchase. Ingrid, 57, confirmed this statement when she mentioned that she does not want to be reminded of the purchase and see that other alternatives exists. Further, she explained that the choice of which product to buy may have been difficult, and when she finally has decided which one to buy, she does not want to be offered more alternatives. It only creates feelings of irritation to be reminded afterwards that better alternatives were available.

Lisa, 50, described how she would react to a situation where she receives personalized offerings that are cheaper than the deal she just made. She said that it can be very frustrating and that she would go as far as calling the company to complain or to return the product. This indicates that offers considered as better that is advertised after the purchase of a product increases feelings of irritation and contributes to a negative experience of personalized marketing. Post purchase offers can however produce a positive experience as well if the personalized advertisement accurately can include complementary products that may be needed by the consumer. It is however important that these offerings do not come off as an attempt to just sell more but rather something that the consumer may be in need of. Ingrid, 57, described this when explaining how she has been able to complement the purchase of a cell phone with a matching phone shell. She further explains how this

contributed to a pleasant experience and new needs can arise from the purchase of a product. It is therefore fair to assume that the post evaluation of the decision can be both positively and negatively affected dependent on the perception of the personalized marketing.

5. Conclusion

The purpose of this thesis was to explore the consumer perception of personalized marketing and how the perception affects the purchase decision-making process. In order to fulfill the purpose, a conceptual framework was created out of the literature review. The empirical data collected is related to our theoretical framework which resulted in an interesting analysis. The analysis laid the foundation for our conclusions, which are based on the answers of our eight respondents and are thus based on their subjective opinions.

How consumers perceive personalized marketing plays a vital role in the problem awareness stage. De Chernatony and McDonald (2010) say that personalized marketing has the possibility to work as a reminder if it matches the consumers' interest. This is supported by the respondents' answers where they stated that if personalized marketing captures their interest, it is perceived more positively. If it is perceived as positive, the respondents are more susceptible to it and claimed that personalized marketing then works as a reminder that results in an awareness of that the problem exist.

Trang (2017) mentioned that personalized marketing helps the consumer to find relevant products in the information search stage and reduced the time spent on information search. Our findings show that relevant personalized marketing eases the information search process for the consumer considering time consumption. The respondents' stated that relevant offers may reduce the time spent on information search. However, the respondents did not seem to utilize the personalized marketing in the information search stage, as they stated that information search does not bother them but is rather something enjoyable.

De Chernatony and McDonald (2010) explain that the evaluation of alternatives is based on comparisons of pros and cons when choosing a specific offer. This is supported in the respondents' answers when they discussed the impact of personalized marketing in the evaluation of alternatives. If the respondents perceived personalized marketing as positive, it had a big impact on the evaluation of alternatives. If it generated a beneficial and relevant offer, it was perceived as positive and the pros of buying the offered product surpassed the cons. Therefore, personalized marketing affects the consumer in the evaluation of alternative stage dependent on the perception. Further, Kotler and Keller (2015) claims that

personalized marketing can drive the consumer to complete a purchase and Wanger (2002) states that consumers can become attracted to buy complementary products if offers are provided during the purchase decision stage. However, there is a common perception of that personalized marketing does not have an effect on the actual purchase decision. Since the consumer already has chosen the best alternative through careful evaluation, new personalized offers will not affect the decision of whether to purchase or not. Though, when personalized offers include complementary products, the respondents stated that additional products can be purchased spontaneously.

Personalized marketing can affect the overall experience with the purchase as feelings of irritation can arise from receiving personalized advertisement after a purchase (De Chernatony & McDonald, 2010). The respondents described that they do not want to see offers that imply that their purchase decision was bad. Therefore, it is important that personalized marketing does not arrive late to the consumer as they only seek to find information that supports their purchase decision. This confirms De Chernatony and McDonald's statement, since all the respondents claimed that late arriving personalized marketing in this stage may damage their view of both the purchase decision and the company.

The overall perception shows that personalized marketing, compared to traditional marketing, captures the interest of the respondents to a greater extent and is perceived as more interesting. The personalized marketing is perceived as more interesting since it is adapted to the individual's preferences and needs. It is thus perceived as helpful and something that creates an added value (Kumar & Reinartz, 2012). Similar to this, the respondents' answers indicate that it is important that the consumers are treated differently and that they feel unique. Personalized marketing has, according to the respondents, the ability to make the consumer feel uniquely selected and it also helps consumers to satisfy their needs. However, personalized marketing must be genuine in order to be appreciated.

Even though personalized marketing was preferred over traditional marketing some of the respondents perceived it as negative when it became too sales oriented. As Gurleen (2012) says, this could in turn create a reaction where consumers avoid future offers from the

marketing company. Lack of genuineness generates a feeling that the company is not working in the best interest of the consumer. The respondents agreed to this and explained that when the offer was perceived as genuine it created a negative perception, both of the advertisement as well as the company that provides the marketing. If personalized marketing on the other hand was perceived as genuine, they were more susceptible to it and the overall experience became satisfactory. Just as Gellynck et al. (2009) states, a genuine personalized offer affects the perception positively and allows the marketing to be appreciated.

Grönroos (2004) says that positive past experiences reduce the perceived risk and increase the acceptance of companies' usage of personal data. Positive past experiences also seem to enhance consumer trust, which has a positive impact on the relationship between the consumer and the company. This is emphasized by the respondents, where past experiences seem to play a vital role regarding the consumer perception of personalized marketing. Positive past experiences reduce the skepticism towards the company, and make consumers more susceptible towards the advertisement. The respondents' answers indicate that personalized marketing is accepted and perceived positively to a higher degree if the past experiences are positive.

Furthermore, Hong and Thong (2013) state that companies' collection and management of personal data may create privacy concerns if the expectations do not match the outcome. Privacy concerns exists when there is a lack of control in how the personal information is collected and it affects the consumer perception of personalized marketing negatively. All of the respondents were well aware of that their personal information was collected, but they did not feel comfortable with it. This made them more skeptical towards the personalized advertisement, which generated in a more negative perception. However, an acceptance regarding the usage of already disclosed personal data could be found and the benefits with personalized marketing surpassed the disadvantages. This is described by Pappas (2018) in the privacy paradox where the privacy concerns seem to be accepted in favor for the comfortability with e-commerce.

5.1 Practical implications

This thesis contributes with practical contributions through showing how consumers perceive personalized marketing and how this affects the consumer decision-making process. Existing research has been limited to and focused on the company perspective. Therefore, this thesis focuses on the consumer perspective in order to gather new insights on how the perception on personalized marketing affected the consumer in the purchase decision-making process. For practical reasons our findings and the conclusion can be valuable when creating personalized marketing. The results of our thesis show how consumers in the age span of 40-59 perceive personalized marketing and how this can affect the consumers in the different stages of the purchase decision-making process. A greater understanding of how personalized marketing is perceived and how it later affects the decision-making process may benefit marketers and is something that their strategies can be based upon.

However, since our research only consist of answers from eight respondents in the same area, it is possible that the results would have differed in another area. Since every individual is unique it may also be difficult to generalize a correct answer on how the personalized marketing should be designed to appear as appealing to the consumer. Personalized marketing is based on individual preferences and therefore there is not one correct way to achieve a perfectly designed personalized marketing.

5.2 Suggestions for further research

Further academic research is still needed on how personalized marketing is perceived. One suggestion is to compare between specific industries as our thesis covers the e-commerce as a whole. This might generate a more accurate result as consumers in specific industries may be more alike each other. Therefore, it can be easier to identify how different factors affect the perception since different industries manage different types of personal data.

Another suggestion for further research is to study the consumer perception of personalized marketing both qualitatively and quantitatively. Through complementing the qualitative research with a quantitative research on consumers buying behavior the knowledge of personalized marketing can be deepened. Therefore, the consumer perception of

personalized marketing can be complemented with their actual behavior, such as the number of clicks on an ad and purchase statistics. This can put the consumer's statements in relation to their actual actions and behaviors.

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Appendix A – An example of our data analysis

Category	Dimension	Sub dimension	Meaningful unit
Personalized marketing versus traditional marketing	Personalized marketing as more interesting	In focus	*"Yes, I would probably think so, I would say that personalized advertisement puts me in focus which I find more appealing."*
Personalized marketing as an added value	Reminder	Appreciation	*"I appreciate that it reminds me of products that I might have put aside. It makes me rethink a little extra and maybe come to the conclusion that I actually need the product."*
Personalized marketing as an added value	Complementing products	Creates a good service	*"Say that I would buy a smartphone and I receive an offer of buying a shell that fits. It then feels like they create a package for me only and my experience will be positive due to good service."*
Past experiences affect consumer trust	Increased trust	Increased willingness	*"My perception becomes more positive if I have had good experiences from before and I feel like my willingness to actually make use of the commercial as a helpful tool. Of course I trust these companies more."*
Past experiences affect consumer trust	Increased trust	Recommendations by other consumers	*"I usually go with recommendations or references when I shop online, Stella bought a robot vacuum cleaner and when she told us how good it was we went online and bought the same one."*

The impact of personalized marketing on problem awareness	Problem awareness	Reminded of needs	*"If I perceive the personalized marketing as something good it will be easier for me to make use of it. It will then work as a positive reminder which makes me think and realize that I need something."*

Appendix B – Interview Guide

Introduction:

Provide the respondent with basic information about the purpose of the interview and the study in general to create a mutual understanding without reveal our research question.

1. Start by briefly introducing the respondent to our thesis and the purpose of the interview. We make sure that the respondent understands and that questions can be asked if anything is unclear.

2. Ask the respondent to sign a consent form that allow for the interview to be recorded, transcribed and further used in the thesis.

3. Tell us a little bit about yourself (Name, Age, profession)

Online Consumer Behavior

Get an understanding of the respondent's consumer behavior which further can contribute to the whole picture.

1. How often do you shop online?

2. How do you shop online? (Spontaneous purchases, planned purchases, comparison of various websites)

3. What triggers you to decide whether to go through with a purchase or not? (Advertisement, quality, price)

4. How would you describe your way of reacting to personalized marketing? (Analyze the advertisement, scroll by)

Personalized marketing:

Explains the relation that the respondent has to personalized marketing and experiences associated with this.

1. How often do you encounter personalized marketing aimed towards you when you are active online?

2. Can you describe how personalized marketing helps you in your search for products?

3. Do you feel any difference regarding your reaction of personalized marketing compared to traditional marketing?

Consumer Perception:

Develop an understanding for the respondent's perception on personalized marketing along with factors that can impact the perceived information.

1. Do you feel that you react differently by personalized marketing compared to general marketing?

2. Have you ever felt like advertisement online has been specifically aimed towards you?

3. Can you describe in what ways you have experience of personalized marketing?

4. What do you think affects the perception of personalized marketing when it comes to generating a positive or a negative experience for you as a consumer?

5. Can you describe how your perception of personalized marketing plays a role when it comes to making you aware that you actually need to purchase something?

6. Can you describe whether your perception of personalized marketing helps you in your search for a new product?

7. How would you describe that your perception of how the personalized marketing affects evaluation of different alternatives?

8. Would you say that your perception of personalized marketing matter in whether you proceed to purchase a product or not? If yes, how?

Privacy concerns

Develop an understanding of the respondent's perception of whether personalized marketing creates privacy concerns or not.

1. Do you feel safe with your personal data being used in purpose to create personalized marketing?

2. Have you ever felt like personalized marketing aimed towards you has contained information that should have been kept private?

3. Where would you draw the limit for the usage of personal data in marketing purposes? (Name, age, gender, employment, salary etc.)

4. Have your ever reflected over the amount of data that you leave behind while active online? Do you ever wonder what this information can be used for?

Past experiences:

Get the respondent's view upon the impact of past experiences regarding personalized marketing. How and why does this affect the e-commerce experience?

1. How is your perception affected by personalized marketing that you receive from a company that you have past experiences with? Does it make a difference to you if you receive personalized marketing from companies that you have positive past experiences with compared to companies that you do not know of? (In what ways)

2. In what way does past experiences affect the chances of you proceeding to go through with a purchase?

3. Do you feel like the degree of acceptance for the usage of personalized data increases dependent on your past experiences with a company? If yes, how?

4. To what extent do you see personalized marketing as an added value and something that creates good experiences for you as a consumer?

Consumer buying decision process:

1. Do you plan on/do you have a need to buy anything online within the near future? What? what way do you find personalized marketing useful when it comes to becoming aware that you need to buy a new product? Do you feel concerned that companies in advance can predict what it is that you need?

2. How do you do when you search for information about products online? Do you make use of personalized offers or do you search in general? Do you reflect over that your searches leave information about yourself that can be used by the companies?

3. Can you explain in what way personalized marketing helps you in your search process for new products?

4. Can you describe how personalized marketing can affect your decision of whether to purchase or not?

5. How do you react to receiving personalized marketing after you have purchased a product?