

Personal information in E-mail marketing can backfire, study indicates

July 1 2008

Businesses risk chasing away prospective customers when they send chummy e-mails that bandy around people's names, hobbies and other personal information to pitch sales, according to a new study of the popular marketing tool.

"People bristle at personalization just for the sake of personalization," said Tiffany Barnett White, a University of Illinois marketing professor who headed the research. "It comes across as too pushy. They want personalization that is relevant to them."

To click, personalized e-mails need to offer value and also quickly explain how personal information such as buying tastes and leisure interests relates to the sales pitch, according to the study, which appears in *Marketing Letters*, a peer-reviewed journal.

"When messages are highly personalized, but lack value and justification, they have unintended effects," White said. "They can actually have a boomerang effect and cast the firm in a negative light, sending customers running to the competition."

The study surveyed undergraduate students to gauge response to marketing e-mails with varying amounts of personal data, ranging from just names and hometowns to more detailed information such as reading or cooking preferences.

In the end, the degree of personalization was less important than whether

the pitch had value, and whether it told customers how the deal and their personal information intertwined, according to the study, co-written by marketing professors Sharon Shavitt of the U. of I., Helge Thorbjorsen of the Norwegian School of Economics and Business Administration and Debra Zahay of Northern Illinois University.

"If the offer was valuable and justified, the level of personal information didn't matter," White said. "Firms were no better off for throwing all of your personal information at you."

She says the findings are surprising because the research is based on personal data provided voluntarily, rather than from credit-card companies and other third-party sources.

"Even when someone has volunteered their personal information, they still have preferences about how firms use it. They don't want to be bombarded with a mountain of facts about themselves unless they perceive a very good benefit," White said.

The study only looked at responses to messages with varying degrees of personalization, and White says more research is needed to gauge whether marketers should consider abandoning personalization completely and just focus on offering value.

"I can't make any statements now about whether firms should just not spend money on personalization. But I think the big takeaway from this research is that personalization might not matter and it may actually hurt," White said.

In the meantime, she says marketing firms should use personalized e-mails to convey value, rather than just trying to "wow" prospective buyers with detail about them.

"Don't just use a tool because you have it," White said. "Use it with the consumer's perspective in mind. Think about the psychology, not just the technology. There needs to be a perceived value to personalized messages."

Without value, personalized e-mails can backfire, making consumers feel threatened by sales pitches they consider over the top, she said.

"That can really give smaller businesses an advantage," White said. "At the extreme, it could make consumers go searching for competitors that they might not otherwise have gone searching for. Those smaller firms probably don't even have the technology to do that, and consumers find that somehow refreshing."

"Nowadays, consumers are so much more savvy," she said. "They're so bombarded with tricks of this nature that they start to seem like tricks. So the onus is on marketers to convince consumers that this isn't a trick, that it has some value."

Source: University of Illinois at Urbana-Champaign

Citation: Personal information in E-mail marketing can backfire, study indicates (2008, July 1) retrieved 3 May 2024 from <https://phys.org/news/2008-07-personal-e-mail-backfire.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.