

Dear (insert company name), personalized emails don't impress customers

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Personalized email advertisements are far more likely to repel customers than to endear them, according to a study led by a Temple University Fox School of Business professor. But the research – which drew from 10 million marketing emails sent to 600,000 customers – also shows there is a way companies can use personal information without driving customers away: send them deals on products they want.

Using data from a firm's real-world transactions, Assistant Professor of Management Information Systems (MIS) Sunil Wattal found that consumers' responses to personalized greetings ranged from very negative to, at best, neutral. Overall, 95 percent of customers responded negatively when an email ad greeted them by name.

Customers who were unfamiliar with the firm were very likely to click off or unsubscribe from emails with personalized greetings. Customers who were more familiar with the firm were less likely to do so, but still responded more negatively than to emails without greetings. Customers who had made past purchases were unaffected.

Research into sales strategies suggests consumers generally react positively to being recognized by name. But Wattal suggests the variable introduced to online environments – fears of privacy invasion – heavily outweighs the intended personal touch.

"Given the high level of cyber security concerns about phishing, identity theft, and credit card fraud, many consumers would be wary of e-mails,

particularly those with personal greetings," Wattal and his co-authors wrote in the study.

Wattal also found that product personalization, in which customers are directed to products that their past purchasing patterns suggest they will like, triggered positive responses in 98 percent of customers, with the positive effect being most pronounced among customers unfamiliar with the firm.

Since consumers may not have known these product-personalization emails used their personal information, researchers suggest that no red flags about privacy were raised, and thus consumers only experienced the positive aspect of these email advertisements: exposure to desirable products.

The study, co-authored by Wattal and Carnegie Mellon professors Rahul Telang, Tridas Mukhopadhyay and Peter Boatwright, is titled "What's in a 'Name'? Impact of Use of Customer Information in E-mail Advertisements" and appears online in the journal *Information Systems Research*.

The researchers used their findings to craft four key strategies for improving [email](#) marketing effectiveness:

1. Don't assume that a customer's acceptance of the terms and conditions of a privacy policy is a license to openly use their [personal information](#) for marketing purposes.
2. Do not send personalized greetings to new customers. If greeting past purchasers personally, don't expect improved results.
3. Send emails to established customers more frequently than to new ones. A large number of emails may drive a new customer away but may

prompt an established customer to purchase.

4. Build a relationship with new customers by only emailing them ads for products they are predicted to like. But expand your relationship with existing customers by occasionally exposing them to products they've never bought before.

Provided by Temple University

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