

The Transformative Potential of Personalization in a Data Rich World

Although personalization has existed long before the advent of Artificial Intelligence (AI) (Koch & Benlian, 2015; Montgomery & Smith, 2009), recent advancement in AI based technologies along with unprecedented access to individual data has enabled marketers to discover insightful patterns and predict consumer behavior more accurately (Tong, Luo, & Xu, 2020). Adoption of these technologies leads to better and more enriched personalized experiences, which are likely to enhance the firm's transactional outcomes (e.g., customer satisfaction) and the relational outcomes (e.g., customer loyalty) (Ostrom, Fotheringham, & Bitner, 2019).

Despite growing attention for increasing customer well-being in service and marketing literature being (Anderson & Ostrom, 2015; Field et al., 2021; Zeithaml, Verleye, Hatak, Koller, & Zauner, 2020), personalization researchers have been relatively silent on the impact of personalization on transformative outcomes (Henkens, Verleye, & Larivière, 2020). While initial research anticipates for positive well-being implications of personalization (e.g., recognition) (e.g. Aguirre, Mahr, Grewal, de Ruyter, & Wetzels, 2015; Guo, Zhang, & Sun, 2016; Wang & Benbasat, 2016), other evidence refers to - among others - the emergence of privacy concerns with ill-being implications at the individual level (Guo et al., 2016; Yu, 2020) and surveillance as an ill-being implication at the societal level (Riegger, Klein, Merfeld, & Henkel, 2021).

To better understand how personalization affects well-being/ill-being at customer and societal levels, this research opts for a discovery-oriented abductive approach. Specifically, we relied on in-depth interviews with 30 respondents using the critical incident technique and a document analysis of the ways in which personalized offerings are presented in company and third-party communication.

After triangulating the insights that emerged from these analyses with academic evidence on personalization, we propose that personalization goes along with three tensions at the customer level (1: feeling recognized versus exploited, 2: reduced information overload versus loss of control and 3: conscious versus conspicuous consumption) and three tensions at the societal level (1: social inclusion versus discrimination, 2: convenience versus surveillance society, and 3: circular versus linear economy).

This study responds to recent calls from transformative service researchers to investigate well-being at individual and societal level (Blocker & Barrios, 2015; Field et al., 2021) while

also contributing to personalization literature by exploring its transformative potential. Along with theoretical and managerial implications, the paper concludes with a research agenda that transcends these six tensions and provides suggestions for how researchers might contribute new knowledge to this vital research area.

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