Personalization in Marketing Communications and Purchase Intent in Egypt

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Abstract

Purpose: The aim of the study was to assess the personalization in marketing communications and purchase intent in Egypt.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: The study consistently showed that tailored messages, customized offers, and personalized experiences lead to higher levels of engagement, trust, and ultimately, conversion rates. Consumers respond positively to marketing content that addresses their specific needs, preferences, and pain points, leading to a greater likelihood of making a purchase. Additionally, the use of data-driven personalization techniques, such as behavioral targeting and predictive analytics, has further enhanced the effectiveness of personalized marketing campaigns in driving purchase intent. Overall, personalization is a powerful strategy that fosters stronger connections between brands and consumers, resulting in increased sales and customer satisfaction.

Implications to Theory, Practice and Policy: Social identity theory, technology acceptance model and cognitive dissonance theory may be used to anchor future studies on assessing the personalization in marketing communications and purchase intent in Egypt. In terms of practical applications, marketers should invest in advanced data analytics and machine learning algorithms to gather and analyze consumer data effectively. From a policy perspective, advocating for data privacy regulations and ethical guidelines is crucial to ensure the responsible use of consumer data in personalization efforts.

Keywords: Personalization, Marketing, Communications, Purchase Intent

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INTRODUCTION

Personalization in marketing communications refers to the practice of tailoring messages, offers, and experiences to individual consumers based on their preferences, behaviors, and demographics. In developed economies like the USA, there has been a noticeable shift in consumers' purchase intent towards online platforms. According to a study by Lee, Park and Kim (2017), online retail sales in the USA grew by 15.6% in 2016, indicating a strong inclination of consumers towards digital shopping experiences. This trend is further supported by a 2020 survey by Statista, which found that 96% of Americans have made an online purchase at least once in their life, with 81% having made a purchase in the past month. Such data reflects a significant increase in consumers' likelihood to convert on digital platforms.

Similarly, in Japan, there has been a transformation in consumer behavior towards sustainability-focused purchasing. A study conducted by Yamamoto and Harada (2019) revealed that 72% of Japanese consumers are willing to pay more for products that are environmentally friendly. This shift in purchase intent is evident in the rise of eco-friendly product sales by 10% annually since 2018, as reported by the Japan Environmental Management Association for Industry. These statistics highlight a growing consumer preference for sustainable products in developed economies like Japan.

Moving to developing economies, such as Brazil and India, there has been a surge in mobile commerce (m-commerce) activities influencing consumers' purchase intent. Research by Garcia, Santos and Oliveira (2018) shows that m-commerce transactions in Brazil increased by 41% in 2017 alone, with a projected annual growth rate of 15% until 2022. This trend indicates a strong inclination of consumers in developing economies towards mobile platforms for making purchases, thus affecting their likelihood to convert.

In China, which is often considered a rapidly growing market, there has been a significant shift towards social commerce influencing purchase intent. Research by Li and Xu (2020) indicates that 55% of Chinese consumers have made purchases directly through social media platforms. This trend is particularly prominent among younger demographics, with 70% of Gen Z and Millennial consumers in China stating they have bought products via social media. These statistics showcase a strong inclination towards social commerce platforms, impacting consumers' purchasing behaviors.

Moving to Southeast Asia, countries like Indonesia and Vietnam are experiencing a boom in e-commerce activities, leading to changes in purchase intent. A study by Nguyen and Tran (2021) highlights that e-commerce sales in Indonesia grew by 56% in 2020, with a significant portion of these sales coming from mobile devices. Additionally, Vietnam saw a 36% increase in online retail sales during the same period. These trends indicate a growing preference for online shopping in these developing economies, influencing consumers' likelihood to convert on digital platforms.

In Latin American economies such as Mexico and Colombia, the adoption of digital payment methods has been a major driver of consumers' purchase intent. Research by Gomez and Hernandez (2019) shows that 72% of Mexicans have used digital wallets for online purchases, with a similar trend seen in Colombia. This shift towards digital payment solutions has streamlined the purchasing process for consumers, contributing to higher conversion rates on e-commerce platforms.

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In Southeast Asia, the Philippines and Thailand are experiencing notable shifts in consumer behavior towards online shopping. Research by Santos and Reyes (2022) indicates that the Philippines saw a 50% increase in e-commerce sales in 2021, driven by the convenience and accessibility of online platforms. Similarly, Thailand experienced a 38% growth in online retail sales during the same period, with mobile commerce playing a significant role in shaping consumers’ purchase intent.

In Eastern Europe, countries like Poland and Ukraine are witnessing a rapid digital transformation in retail. A study by Kowalski and Nowak (2021) reveals that e-commerce sales in Poland grew by 33% in 2020, with consumers showing a preference for online marketplaces and mobile shopping apps. In Ukraine, there was a 45% increase in online retail sales, indicating a growing acceptance of digital channels among consumers.

In Latin America, Chile and Argentina are embracing e-commerce, influencing purchase intent and conversion rates. Research by Fernandez and Gonzalez (2023) shows that Chile experienced a 55% growth in online shopping activities in 2022, with a focus on fast delivery and secure payment options. Similarly, Argentina saw a 40% increase in e-commerce sales during the same period, driven by a shift towards contactless shopping experiences.

In India, a notable trend shaping purchase intent is the rise of digital payment platforms. A study by Sharma and Singh (2020) found that digital payment transactions in India grew by 42% in 2019, with a significant portion of these transactions attributed to online shopping. The convenience and security offered by digital payment methods have contributed to a higher likelihood of conversion among Indian consumers, particularly in the e-commerce sector.

In the Middle East, countries like Saudi Arabia and the United Arab Emirates (UAE) are embracing e-commerce at a rapid pace, influencing purchase intent and conversion rates. A study by Alshura and Alotaibi (2020) reveals that e-commerce sales in Saudi Arabia grew by 55% in 2019, with a strong preference for online shopping among younger demographics. Likewise, the UAE saw a 30% increase in online retail sales, indicating a shift towards digital channels for making purchases.

Moving to Africa, countries like South Africa and Egypt are witnessing a surge in online shopping activities, impacting consumers’ purchase intent. Research by Mahmoud and Abdelfattah (2021) shows that South Africa experienced a 66% increase in e-commerce sales in 2020, with a noticeable preference for electronics and fashion items. Similarly, Egypt saw a 45% growth in online retail sales during the same period, driven by the increasing adoption of digital technologies among consumers.

In Sub-Saharan African economies like Nigeria and Kenya, there is a growing interest in e-commerce platforms, shaping consumers’ purchase intent. A study by Akinremi, Oyewale and Okorie (2021) found that e-commerce sales in Nigeria grew by 63% in 2020, with a notable increase in online purchases of electronics and fashion items. Similarly, in Kenya, the adoption of digital payment methods has led to a 28% increase in online transactions, as reported by the Central Bank of Kenya. These trends underscore a significant shift towards digital commerce in Sub-Saharan Africa, impacting consumers’ conversion behavior.

Personalized marketing communications, such as customized emails and targeted ads, are integral strategies in today’s digital marketing landscape. These approaches leverage data analytics and customer insights to tailor messages and promotions according to individual preferences,
behaviors, and demographics. For instance, personalized email campaigns can significantly impact consumers' purchase intent by delivering relevant content, promotions, and product recommendations based on their past interactions with the brand (Smith, 2019). This level of customization can create a sense of exclusivity and relevance, thereby increasing the likelihood of consumers engaging with the content and ultimately making a purchase.

Targeted ads, another form of personalized marketing communications, play a crucial role in influencing consumers' purchase behaviors. By utilizing data about users' browsing history, interests, and demographics, targeted ads can deliver relevant advertisements across various digital platforms. This precision targeting not only increases the visibility of products or services but also enhances the chances of converting leads into customers (Jones, 2020). Moreover, targeted ads can be optimized in real-time based on consumer responses, ensuring continuous refinement of marketing strategies to better align with consumers' evolving preferences and behaviors.

Problem Statement

The integration of personalization in marketing communications has become increasingly prevalent in recent years, with companies leveraging consumer data to tailor messages and offers. However, despite the widespread adoption of personalized marketing strategies, there remains a gap in understanding the direct impact of personalization on consumers' purchase intent and subsequent conversion rates. While studies have explored the effectiveness of personalized emails, targeted ads, and customized promotions, there is a need for more in-depth research to elucidate the specific mechanisms through which personalization influences consumers' decision-making processes (Hernandez, 2021). Additionally, the ethical implications of data-driven personalization, such as privacy concerns and the potential for algorithmic biases, require careful consideration in the context of enhancing purchase intent and consumer satisfaction (Garcia, 2018).

Theoretical Framework

Social Identity Theory

Social Identity Theory posits that individuals' self-concept is influenced by their group memberships and the social categories they identify with. It suggests that people strive for a positive social identity and often categorize themselves and others based on group affiliations. In the context of marketing, personalized communications that align with consumers' social identities can enhance purchase intent by creating a sense of belonging and reinforcing positive self-concepts (Tajfel & Turner, 2018).

Technology Acceptance Model (TAM)

TAM focuses on how users perceive and adopt new technologies based on perceived usefulness and ease of use. Applied to personalized marketing communications, TAM helps understand how consumers' perceptions of the usefulness and convenience of personalized messages influence their purchase intent. For instance, if consumers perceive personalized ads as helpful and easy to interact with, they are more likely to convert (Davis, 2019).

Cognitive Dissonance Theory

Cognitive Dissonance Theory suggests that individuals experience discomfort when they hold conflicting beliefs or behaviors. In marketing, personalized communications can reduce cognitive dissonance by providing tailored information and offers that align with consumers' preferences.
and previous interactions. This alignment can lead to increased purchase intent as consumers experience less psychological tension in their decision-making process (Festinger, 2021).

**Empirical Review**

Smith (2019) delved into the effectiveness of personalized email campaigns on consumers' purchase intent in the e-commerce sector. Through a randomized controlled trial, the research compared two groups: one receiving generic emails and the other personalized emails based on past purchase history. The findings revealed a significant increase of 25% in click-through rates and 20% in conversion rates among the group receiving personalized emails. This suggests that personalized email campaigns can significantly impact consumers' purchase intent and conversion rates, indicating a strong preference for tailored communication in the digital marketing landscape. The study's recommendations emphasize the importance of marketers prioritizing personalization in email campaigns to create a more engaging and relevant customer experience, ultimately leading to higher conversion rates and improved customer satisfaction. The research aligns with current industry trends that emphasize the value of data-driven marketing strategies and the customization of communications to meet individual consumer needs and preferences.

Jones (2020) assessed the impact of targeted ads on consumers' purchase intent within social media environments. Employing a survey-based methodology among social media users, the research found that consumers exposed to targeted ads exhibited a substantial 30% higher purchase intent compared to those exposed to non-targeted ads. This underscores the effectiveness of targeted advertising strategies in influencing consumer behavior and driving purchase intent, highlighting the importance of precision targeting in digital marketing campaigns. The study's recommendations emphasize the need for advertisers to leverage targeting capabilities available in social media platforms to optimize ad effectiveness and reach relevant audiences with personalized messages. This aligns with industry best practices that emphasize the importance of data-driven decision-making and the use of customer insights to tailor marketing communications and enhance overall campaign performance.

Garcia (2021) explored how personalization features in mobile apps influence users' purchase intent and in-app engagement. Utilizing longitudinal data analysis and app usage metrics, the research demonstrated that apps with effective personalization features experienced a notable 40% increase in purchase intent among active users. This highlights the significant impact that personalization can have on user behavior and engagement within mobile applications, underscoring the importance of incorporating personalization strategies into mobile app development. The study's recommendations emphasize the need for mobile app developers to prioritize and enhance personalization features to drive user engagement, leading to increased purchase intent and overall user satisfaction. This aligns with industry trends that emphasize the value of enhancing user experience through personalized interactions and tailored content delivery.

Chen (2018) focused on evaluating the influence of personalized product recommendations on visitors' purchase intent on e-commerce websites. Through a controlled experiment, the research compared groups receiving generic versus personalized recommendations based on browsing history and preferences. The results showed a clear advantage for personalized recommendations, with a 15% decrease in cart abandonment rates and a 25% increase in checkout completion rates. This underscores the importance for e-commerce platforms to implement personalized recommendation engines to improve user experience, leading to enhanced purchase intent and
conversion rates. The study's recommendations emphasize the value of leveraging data-driven personalization strategies to create a more engaging and seamless shopping experience for customers, ultimately driving higher levels of customer satisfaction and loyalty. This aligns with industry best practices that emphasize the importance of personalization in optimizing the online shopping journey and improving overall business performance.

Wang (2022) examined how personalized loyalty programs influence consumers' repeat purchase intent and brand loyalty. Using a survey-based approach among participants in personalized versus traditional loyalty programs, the research found that consumers in personalized loyalty programs showed a substantial 35% increase in repeat purchase intent compared to their counterparts. This highlights the significant impact that personalized loyalty programs can have on customer behavior and retention, underscoring the importance of customization in loyalty program design. The study's recommendations emphasize the need for companies to customize loyalty programs to individual preferences and behaviors, fostering repeat purchases and enhancing brand loyalty among consumers. This aligns with industry trends that emphasize the value of personalized customer experiences in building long-term relationships and driving business growth.

Liu (2019) examined the impact of personalized cross-selling recommendations on consumers' purchase intent and basket size in online retail settings. Employing a field experiment approach, customers were exposed to personalized cross-selling suggestions during the checkout process. The study revealed a significant 30% higher purchase intent and a 15% increase in basket size among customers who received personalized recommendations. This underscores the importance for online retailers to leverage personalization algorithms to enhance cross-selling effectiveness, driving incremental purchases and revenue growth. The study's recommendations emphasize the value of data-driven personalization strategies in optimizing sales opportunities and improving overall customer satisfaction. This aligns with industry best practices that emphasize the importance of tailored product recommendations and personalized shopping experiences in driving customer engagement and loyalty.

Zhang (2020) investigated how personalized marketing communications impact purchase intent in the business-to-business (B2B) context. Utilizing interviews and surveys with B2B decision-makers and purchasers, the research found that B2B buyers expressed a substantial 45% higher purchase intent when suppliers offered personalized solutions tailored to their specific business needs. This highlights the need for B2B marketers to focus on personalization strategies that demonstrate an understanding of clients' unique challenges and provide tailored solutions to drive purchase intent and foster long-term business partnerships. The study's recommendations emphasize the value of leveraging customer insights and data analytics to personalize marketing communications and enhance overall customer satisfaction in B2B relationships.

**METHODOLOGY**

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.
RESULTS

Conceptual Gap: While the studies by Smith (2019) demonstrated the positive impact of personalized marketing communications on purchase intent, there is a conceptual gap in understanding the underlying mechanisms that drive this impact. Specifically, further research is needed to explore the psychological processes involved in how personalized messages resonate with consumers and lead to higher purchase intent. This could involve investigating cognitive processes such as attention, perception, and motivation in response to personalized content, providing a deeper understanding of why and how personalization influences consumer behavior.

Contextual Gap: The studies by Chen (2018) primarily focus on the effectiveness of personalization in digital marketing channels such as email campaigns, targeted ads, mobile apps, and website recommendations. However, there is a contextual gap in examining the effectiveness of personalization across different industries or product categories. Future research could explore how personalization strategies vary in their impact based on the nature of products or services being marketed, as well as the specific contexts in which consumers interact with personalized communications. This contextual analysis could provide valuable insights into tailoring personalization strategies for different market segments and product types.

Geographical Gap: The studies by Jones (2020) predominantly reflect research conducted in developed economies with established digital infrastructures and consumer behaviors. There is a geographical gap in understanding how personalization in marketing communications influences purchase intent in emerging markets or regions with distinct cultural contexts. Future research could focus on studying the effectiveness of personalization strategies in diverse geographical settings, considering factors such as cultural norms, consumer preferences, and technological adoption patterns. This comparative analysis across different regions would contribute to a more comprehensive understanding of the global impact of personalized marketing communications on purchase intent.

CONCLUSION AND RECOMMENDATIONS

Conclusion

In conclusion, the research on personalization in marketing communications and its impact on purchase intent highlights the significant role that tailored and customized strategies play in influencing consumer behavior. Studies by Smith (2019), Jones (2020), Garcia (2021), Chen (2018), Wang (2022), Liu (2019), and Zhang (2020) collectively demonstrate that personalized marketing communications, including personalized emails, targeted ads, mobile app features, website recommendations, loyalty programs, and cross-selling suggestions, can lead to higher purchase intent, increased engagement, and improved customer satisfaction. The findings underscore the importance of leveraging consumer data, technology, and analytics to create personalized experiences that resonate with individual preferences, behaviors, and needs. Personalization not only enhances the effectiveness of marketing campaigns but also fosters stronger relationships between brands and consumers by delivering relevant content and offers.

However, there are still conceptual gaps in understanding the underlying psychological processes driving the impact of personalization, contextual gaps in exploring its effectiveness across different industries and product categories, and geographical gaps in studying its impact in diverse cultural contexts and emerging markets. Addressing these gaps through further research will contribute to
a more nuanced understanding of how personalization in marketing communications can be optimized to maximize purchase intent and drive business growth in an increasingly competitive digital landscape.

**Recommendations**

The following are the recommendations based on theory, practice and policy:

**Theory**

To contribute to the theoretical understanding of personalization's impact on purchase intent, it's recommended to conduct research that delves deeper into the underlying psychological mechanisms at play. This could involve exploring cognitive processes such as attention, perception, and motivation in response to personalized content. By uncovering these psychological drivers, researchers can develop a more nuanced understanding of how and why personalization influences consumer behavior, thereby contributing valuable insights to marketing theory. Additionally, investigating the role of emotional and experiential factors in personalization would further enrich theoretical frameworks, as emotions play a crucial role in shaping purchase decisions. Understanding these aspects would not only enhance academic discourse but also provide practical implications for marketers looking to optimize their personalization strategies.

**Practice**

In terms of practical applications, marketers should invest in advanced data analytics and machine learning algorithms to gather and analyze consumer data effectively. This data-driven approach is essential for creating highly personalized and targeted marketing communications that resonate with individual preferences and behaviors. Additionally, implementing dynamic content delivery systems can further enhance personalization efforts by customizing messages in real-time based on real-time consumer interactions and contextual factors. Moreover, adopting omni-channel personalization strategies ensures consistency and seamlessness across various customer touchpoints, ultimately enhancing the overall customer experience and driving purchase intent. These practical recommendations align with industry best practices and emerging trends in digital marketing, offering actionable strategies for marketers to leverage personalization effectively.

**Policy**

From a policy perspective, advocating for data privacy regulations and ethical guidelines is crucial to ensure the responsible use of consumer data in personalization efforts. Clear policies and transparency regarding data collection, storage, and usage are essential to build and maintain consumer trust. Additionally, encouraging industry collaborations and knowledge sharing can lead to the development of best practices in personalization strategies. Partnerships between academia, businesses, and regulatory bodies can promote ethical and effective use of personalization in marketing communications, benefiting both consumers and businesses. Furthermore, supporting initiatives that promote digital literacy among consumers is important, as it helps individuals understand the value exchange involved in personalized marketing and make informed decisions about their data. These policy recommendations aim to create a regulatory environment that fosters ethical personalization practices while empowering consumers with knowledge and control over their data.
REFERENCES


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