



The value of making producers personal[☆]

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Abstract

Consumers often know nothing about the person(s) who made the products they consume. This manuscript shows that firms can benefit from changing this status quo. We demonstrate that “personalizing” the producer, that is, exposing consumers to personal information about a given product’s producer, can significantly increase product preference and willingness to pay. We find this effect even if the related information is not tied to the producer’s production competencies which is surprising from an economic perspective because the added information is non-diagnostic. We propose that this effect unfolds because the personalizing treatment makes consumers feel more socially connected to the producer, which the consumer rewards through increased product demand. A series of studies documents the existence of the personalizing effect, provides process evidence for the effect by mediation and moderation, and rules out several alternative explanations. More broadly, this research advances our understanding of why and when making producers personal can be beneficial in commercial transactions. © 2021 New York University. Published by Elsevier Inc. All rights reserved.

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Introduction

Technological progress and socioeconomic developments have changed the way people relate to each other. Specifically, urbanization, bureaucratization, automation, and increased geographical and social mobility have led to more anonymous and impersonal relationships among people (Bandura 1999; Dietrich 1988). The phenomenon of impersonality can also be observed in the world of markets and consumption. Today, consumers usually know nothing about the people who produce the products they consume. This impersonality specific to consumption can be traced back to the establishment of

intermediaries (e.g., retailers) that impair direct contact between consumers and producers. It has thus become rare that consumers buy products directly from the producers, such as milk directly from the farmer, shoes directly from the shoemaker, or furniture directly from the carpenter. In addition, modern production methods relying on mass production and automation prevent the formation of social ties to the producers of goods. Even in service contexts, transactions that used to involve some personal contact, such as depositing a check, now occur anonymously over the internet. As summarized by van Osselaer and colleagues (2020), these transformations, despite the various benefits they have brought about, have worked to separate consumers from producers of products.

Against this trend, several companies have recently started to ask the persons behind their products to take curtain calls, making them visible to their customers. Some companies reveal information that centers on the individual producer’s competencies (e.g., Mercedes-AMG: “Michael Kübler has been assembling engines at Mercedes-AMG for 10 years”). But more and more companies have even started to provide producer information that seems unrelated to the individual’s expertise (or to economic neediness). For example, the cosmetics firm Lush gives the producer a “face” by imprinting

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their products with a picture of the producer along with their first name, and E-mart, the largest grocery chain in Korea, sells fruits and vegetables in packages that feature names and faces of farmers who grew the produce. Others go beyond names and pictures. For example, the knitting crafts firm Emilime, the snack manufacturer Burts Chips, or Kashi cereals feature more detailed personal information on the producers of their products in their marketing communications. Similarly, commercial online platforms such as Etsy allow individual producers to provide rich personal information about themselves that is directly accessible to consumers. What is remarkable in these cases is that the communicated producer information is often non-diagnostic from an economic perspective; that is, it is unclear why the provided information should affect consumer preferences. While competence-related producer information might increase the underlying product's appeal through an inferential process (i.e., a competent producer might produce higher quality products), personal non-competence related information does not appear to be diagnostic for the consumer's product decision-making process. For example, if you consider hats from two competing producers at the point of purchase, you should probably prefer the one that you believe offers a closer fit to your aesthetic and functional preferences—not the one that is accompanied by information about the producer's first name and personal background. In four main studies and numerous add-on studies, we examine how personizing producers—which we define operationally in this article as providing non-competence related background information about a person such as their names, hobbies, family or living situations (van Osselaer et al. 2020)—affects consumers reactions to products. We find that personizing producers increases consumers' product demand in terms of willingness to pay and product preference. We also document that this effect is mainly driven by a relational account: consumers psychologically connect more strongly to personalized producers. We hence propose and test a mechanism driving consumer demand that is not primarily centered around how consumers perceive a given product (e.g., that consumers feel a product is of higher quality, more authentic, imbued with more human love, etc.), but is rather centered around their perceived relationship with the person behind the product. Notably, we document this effect in a setting where no actual consumer-producer interaction takes place; that is, our connection account is exclusively anchored in a scalable one-sided, digital communication strategy directed from the brand, in the form of personalized producer information, to the consumer.

Conceptual background

Before industrialization, it was not uncommon that product producers were involved in multiple steps of the value creation process—from order taking, to the entire production process, to the selling and personal delivery of the product. If customers needed a new pair of shoes, for example, they would typically consult a shoemaker who made the shoes for these specific customers. Consumers were in direct

contact with the producer and hence knew the person behind the product. As industrialization progressed, manufacturers responded to the quest for efficiency gains by separating production, and producers, from their customers. To that end, production facilities (factories) were established at locations that were geographically distant from the place of consumption, which further increased the physical separation between consumers and producers. This phenomenon of separation is now commonplace in our globalized and digitized economy and is increasingly expanding to service industries such as banking, where we, for example, no longer enter a bank branch to deposit a check but do so using our smartphones (van Osselaer et al. 2020).

In times when consumers were primarily concerned with satisfying the need for food, shelter, and clothing, this separation may not have been of major concern to consumers. But with increasing wealth and increasing economic security, many consumers' value systems also shifted steadily from a materialistic to more of a post-materialistic value orientation, where self-expression, belongingness, and interpersonal relationships began to play a more important role (Inglehart 1997) or as described by Inglehart and Baker (2000, p. 22) “[it] became a game between persons.” It is thus plausible that in a post-materialistic Western society the separation between consumer and producer *is* of concern to consumers and that consumption is used as a way to satisfy consumers' fundamental need for social connectedness (Eichinger, Schreier, and van Osselaer 2021; van Osselaer et al. 2020). For many of today's consumers, the essence of consumption does not lie in the mere possession of goods, but more in the meaning that is associated with the products they consume, such as interacting with the social system that surrounds the product (e.g., Holt 1995; Inglehart and Baker 2000).

One way consumers may derive meaning from consumption is by personally interacting with the people behind the products. This is arguably evident in the growing interest in farmer's markets where consumers are in personal contact with the farmers who grow the fruits and vegetables they buy. But the renaissance of this phenomenon is not limited to small-scale production, it is also evident in large-scale industries including high tech products; the motorcycle manufacturer Ducati, for example, reacted to the quest of their customers for more interaction by establishing an online platform that enabled customers to get in direct contact with engineers and to talk about the products and their experiences (Sawhney, Verona, and Prandelli 2005). More generally, firms have discovered the power of live-streaming video platforms such as Periscope that allow customers to get in personal contact with a firm's producers. Whereas it is easy to see how repeated, direct, two-way interactions between a consumer and a producer may establish a sense of connectedness with the producer, it also seems possible, while more surprising, that simpler, one-way communication about a producer's personal characteristics might provide similar feelings. Thus, we argue that simply providing information that identifies that producer as a person (e.g.,

by providing information about their name, living situation, hobbies, etc.) might provide some sense of connectedness.

Social connectedness and personizing

Connecting to or affiliating with other people is a fundamental social desire (Eichinger et al. 2021; Leary 2010). Yet, many people today live in anonymous environments, metropolitan areas or big cities, where it is oftentimes difficult to connect to other people (van Osselaer et al., 2020). In his socio-psychological work on social life in big cities, Simmel (1903/2002) claims that people in such anonymous and impersonal environments typically care less about others and are also often negatively disposed towards (anonymous) others. According to Simmel, this disposition should change, however, when people become acquainted with formerly anonymous others, for example, by starting conversations. We argue that a similar change is achieved even when people merely learn other people's names or receive some personal background information. One often overlooked aspect of Simmel's work refers to how impersonality affects economic relations. He advocates that anonymity facilitates economic relations that “acquire a relentless unmerciful matter-of-factness” (Simmel 1903/2002, p. 13). However, when consumers know the individuality of the exchange partner (e.g., a producer), the relation between exchange partners (e.g., consumer and producer) should go beyond a hard, rational exchange of products. Building on this reasoning, we argue that when a producer is personized (when a consumer becomes acquainted with the individuality of the producer), the economic relation to the producer, even if it is a one-way relation, should take on a what Simmel calls a “gemütvollere” (i.e., more sentimental) note, and so make consumers feel more connected to the producer; these feelings should in turn induce more positive consumer reactions towards their products.

Psychologically, receiving personal information about other people might help satisfy humans' desire to connect to, or affiliate with, other people (e.g., O'Connor and Rosenblood, 1996, Leary, 2010). Whereas many scholars argue that people's social needs to belong and connect can only be satisfied through the formation of intense and non-trivial relationships (Baumeister and Leary 1995; Shaver and Buhrmester 1983), some scholars speculate that this need can also be satisfied through the formation of temporary relationships – such as meeting people on a train ride or at a coffee house. Thus, even weak relationships might help satisfy people's need to connect. In fact, the work by Brewer (1979) and also by Sherif (2010) has shown that people can easily form relationship with others, and are also easily able to develop a sense of connectedness with strangers based on interactions.

In sum, we predict that providing personal, non-competence related background information about a producer (even without two-way communication or face-to-face contact) may increase the producer's products' attractiveness to consumers, particularly for consumers who generally feel a stronger need to connect to others.

Overview of studies

We report the results of four main studies and a series of add-on studies examining the effect of personizing the producer on product demand and the processes underlying this effect. Study 1 provides evidence that making the producer personal increases consumers' willingness to pay. Study 2 shows that the personizing effect on product preference is stronger for consumers who generally feel a stronger need to connect to others, thus providing evidence in support of our postulated social connectedness account (a series of follow-up studies rule out a first set of alternative explanations including mere liking of the producer, financial neediness, and accountability). Study 3 provides further process evidence via mediation and moderation. Specifically, we find that the personizing treatment creates value to consumers because it makes them feel more closely connected to the product's producer. Furthermore, this pattern of effects only holds in case the product's producer is personized; we did not observe any product preference in case someone else (i.e., merely another customer) is personized. Study 4 identifies another moderator variable that attenuates the focal effects; if consumers infer a persuasion motive underlying the presentation of personized producer information, we no longer observe the personizing effect on product demand. This study and an add-on study address a second set of alternative explanations involving perceptions about the product (quality, authenticity, anthropomorphism, love, and social presence in the product), as well as more general perceptions regarding personizing as a strategy (surprisingness, newness, mere differentiation). We report all data exclusions (if any), conditions, and relevant measures.

Study 1 – Personizing the producer increases consumers' willingness to pay

Study 1 is a lab-in-the-field study with the objective to test whether personizing the producer creates economic value for the consumer, captured by an incentive compatible willingness to pay (WTP) measure. The between-participant manipulation was whether personal information about the producer of a real-world product was present or not.

Method

A quota sample of 409 German-speaking consumers ($M_{age} = 43$ years; 50% females, Talk Online) was exposed to two different cookies marketed by two different companies (Bröselkeks and Kekswerkstatt). Participants were asked to indicate their maximum WTP for each of the two brands of cookies. We varied the presence of personal information about the producer of the focal product, Kekswerkstatt cookies (www.kekswerkstatt.de). Stimuli were developed in cooperation with the firm (see Web Appendix A1 for stimuli). In the personizing condition, the product information read (translated from German): “These cookies are created by Sebastian in loving handicraft and packaged fresh out of the oven.” In addition, there was a signed picture of

Sebastian and personal information that was not related to his competence as a baker. The text read: “When he is not baking cookies, Sebastian likes to spend time with his family. He likes to be close to nature, go for a run, and work out in the fitness studio. Another of his passions is to relax with a glass of wine or a good book.” In the control condition, the Kekswerkstatt cookies were described in exactly the same way (“These cookies are produced in loving handicraft and packaged fresh out of the oven”), but there was no mention of Sebastian (i.e., neither a picture nor any personal information on Sebastian). The stimulus in the control condition was almost identical to the actual marketing material used by Kekswerkstatt and Sebastian is the real owner. The other cookie brand, Bröselkeks, served as a reference product. Notably, in both conditions, the Bröselkeks cookie was described as lovingly handmade and fresh out of the oven.

Measures

The dependent variable was WTP for a package of Kekswerkstatt cookies. We used a double-lottery version of the BDM procedure to assess participants’ incentive compatible WTP in a consumer panel (Fuchs, Schreier, and van Osselaer 2015). After product exposure, participants indicated their WTP for the two products (Bröselkeks and Kekswerkstatt) on a slider scale in euros (€ 0 – 10, in 10 cent steps). Before they indicated their WTP for the two products we informed participants about the procedure: We randomly select 10 “winners” who win €10. Winners enter a BDM procedure and a random process is used to pick both a price between € 0 –10 and one of the two products. If winners’ stated WTP for that product is equal or higher than the random price, they purchase the product at the randomly drawn price and receive what is left of their € 10 in Amazon vouchers. If their stated WTP is lower than the random price, they do not get the product and receive the full € 10. Four winners purchased cookies (their stated WTP was equal or higher than the randomly drawn price) and received the cookies and what was left of the € 10. Six participants did not purchase the cookies and received the € 10. The subsequent questionnaire included a yes/no-question about familiarity with the two cookie manufacturers and demographic variables. Seventeen participants indicated that they either knew Kekswerkstatt (five), Bröselkeks (four), or both manufacturers (eight participants) prior to participating in the study. Two participants did not indicate their WTP for the Bröselkeks cookies.

Results and discussion

A mixed model ANOVA with the experimental treatment (Kekswerkstatt description: personalized producer vs. non-personalized producer) as the between-participant factor and the WTP measures for Kekswerkstatt and Bröselkeks cookies as the repeated-measures factor revealed the predicted significant interaction effect ($F_{(1, 405)} = 4.82$; $p = .03$; main effect of the treatment: $F_{(1, 405)} = 6.18$; $p = .01$; main effect of the brand: $F_{(1, 405)} = 5.62$; $p = .02$). When neither of the

cookie brands was personalized, WTP between brands was almost identical ($WTP_{Kekswerkstatt} = € 2.08$; $WTP_{Bröselkeks} = € 2.07$; $p = .9$, NS); however, when personal information about Sebastian was provided, participants’ WTP for the Kekswerkstatt cookies was significantly higher than for the Bröselkeks cookies ($WTP_{Kekswerkstatt} = € 2.64$; $WTP_{Bröselkeks} = € 2.41$; $p = .001$). When looking at the cross contrasts, we find that participants were willing to pay 27% more for the Kekswerkstatt cookie when Sebastian was versus was not personalized ($M_{personalized} = € 2.64$ vs. $M_{non-personalized} = € 2.08$; $p = .003$). The predicted effects were robust if we additionally controlled for demographics (age, gender, and income). Using an incentive compatible WTP elicitation method, Study 1 thus shows that consumers are willing to pay substantially and significantly more for the same product when its producer is personalized. Notably, the effect is not driven by a few extreme values but instead visible across the entire WTP distribution and is particularly pronounced at higher levels of WTP (see *Graphical Abstract* for a figure illustrating the WTP distribution).

Study 2 – Consumers’ need to connect moderates the personalizing effect

Study 2 explores the process underlying the personalizing effect. If our theorizing is correct and personalizing increases consumers’ feelings of social connectedness to the producer, we would expect a stronger effect among consumers who generally feel a stronger need to connect to others. Thus, consumers with a higher need for connecting to other people should exhibit a stronger preference to buy products from personalized producers

Method

Three hundred eighty five consumers ($M_{age} = 38$ years, 50% female, MTurk) were exposed to two small shops that sell knitted hats online, AlterKnit and MyKnitPlace, respectively. The key question was from which shop participants would most likely buy a hat if they needed one. In particular, information about the two firms was presented side-by-side; AlterKnit and pictures of its hats were always presented on the left. MyKnitPlace and pictures of its hats were always presented on the right. We implemented the personalizing treatment by varying whether MyKnitPlace or AlterKnit provided personal information about the producer. Half of the participants read under the pictures of AlterKnit that “All products are knitted by the owner, Joan Barnes.” Under MyKnitPlace’s pictures these participants read that “All products are knitted by the owner, Susan Brady. Susan is 35 years old, married, and has two small children. They live in a wooden house in the Boston area. In her free time, when Susan is not knitting, she enjoys cooking and reading. While she likes to ski, she is not the best skier in the world.” The other half of participants were told the opposite. These participants read under the product pictures of AlterKnit that “All products are knitted by the owner, Joan Barnes. Joan is 35 years old, married...” and under the pictures of MyKnitPlace that “All products are

knitted by the owner, Susan Brady.” Thus, Joan Barnes was always the knitter of AlterKnit, and Susan Brady was always the knitter of MyKnitPlace but we varied which of the two received the personal description (see Web Appendix A2 for stimuli). We avoided giving competence-related information in our description of the producers. Hence, the personal information *per se* should be non-diagnostic for evaluating the product’s quality. Note that similar to Study 1, we also provided cues that the products from both shops are made by hand which should rule out that handmade-induced love or human warmth explains our effects (e.g., Fuchs, Schreier, and van Osselaer 2015). In this study, we furthermore addressed accountability as an alternative explanation of a positive personalizing effect. That is, consumers are able to hold personalized producers accountable for poor quality and/or personalized producers have an incentive to build a positive reputation in the marketplace (where the producer’s name becomes an identifier that functions as a quality signal). To control for accountability experimentally, we added identifying information about the producer to the information about both firms. Identifying both producers by name, postal address, and email address makes it equally easy for customers of both firms to hold the producer accountable for bad quality and reward them for good quality.¹ If the personalizing effect is purely due to accountability, we should no longer find the focal personalizing effect

Measures

After having been exposed to these stimuli, participants were asked to complete a short questionnaire measuring product preference (dependent variable) and one’s general need to connect (moderator). Product preference was measured with three items preceded by the preamble: Consider you need a new hat for next winter: From which shop would you be more likely to buy a knitted hat? The items were captured on six-point scales (where 1 = I would definitely buy / choose / purchase a hat from AlterKnit and 6 = I would definitely buy / choose / purchase a hat from MyKnitPlace, $\alpha = 0.99$). In absence of an established need to connect scale, we operationalized need to connect using five items from Leary et al.’s (2013) need to belong scale that best reflect people’s desire to form connections with other people: (1) I try hard not to do things that will make other people avoid or reject me, (2) I need to feel that there are people I can turn to in times of need, (3) I want other people to accept me, (4) I do not like being alone, (5) I have a strong need to belong 1 = strongly disagree, 5 = strongly agree ($\alpha = 0.79$). We pre-registered this scale and the study (<http://aspredicted.org/blind.php?x=yw63ai>) and predetermined the sample size ($n = 380$; the system ended up collecting data from 385 participants), our focal

¹ A pretest ensured that the accountability information (name, address, email address) effectively addresses the accountability concern. When the accountability information was provided, we found no differences in terms of perceived accountability between conditions where producers were personalized versus not (see Web Appendix A2 for more information).

measures, and an exclusion criterion (duration less than one minute). The latter criterion led to a final sample of $N = 338$ participants ($M_{age} = 37$ years, 51% female). Alpha values are based on the final sample.

Results and discussion

Replicating the findings of Study 1, we first find a significant personalizing effect: consumers demonstrate a stronger preference for products of MyKnitPlace when the producer at MyKnitPlace was ($M = 4.36$) versus was not personalized ($M = 2.47$, $t_{(336)} = 12.52$, $p < .001$). Second, we regressed product preference on the personalization factor, the mean-centered need to connect index, and the interaction term using bootstrapping procedures. The moderation model revealed a significant main effect of personalizing ($b = 1.90$, $SE = 0.15$, $p < .001$), an insignificant effect of need to connect to others ($b = -0.08$, $SE = 0.09$, $p = .40$), and, as we hypothesized, a significant interaction effect ($b = 0.47$, $SE = 0.18$, $p < .01$). As can be seen in Fig. 1, we found that personalizing the producer has a more positive effect among consumers with a generally high versus low need to connect. Moreover, the results demonstrate that the personalizing effect cannot, or certainly cannot entirely, be attributed to the consumer’s ability to hold the personalized producer accountable. Thus, even after having experimentally controlled for accountability, personalizing the producer led to a substantial and significant increase in product preference.

Study 2 provides support for our account through a process-related moderator, the general importance a consumer ascribes to social connectedness. In a series of follow-up studies using the same experimental paradigm, we addressed several alternative explanations. Specifically, we conducted three experiments that address the possibility that the documented main effect can be explained by (i) mere liking of the personalized producer (see Web Appendix A3), (ii) perceptions of financial neediness of the personalized producer (see Web Appendix A4), and (iii) demand artifacts in the data (see Web Appendix A5). While these alternative explanations may contribute to the main effect of personalizing, the additional studies show that they cannot explain the entire effect. In addition, it seems implausible that they could explain the interaction effect documented in Study 2.

Study 3 – Feeling connected to the producer mediates the personalizing effect

In Study 3, we test our predicted process through mediation. That is, we ask if the personalizing treatment indeed makes the consumer feel more closely connected to the product’s producer and if so, whether this mediates the personalizing effect on product preference. Further, we also vary whether the personalized person is the producer or merely another customer. This second factor allows us to test our account by moderation: recall that our theorizing rests on the idea that personalization allows a connection to be formed

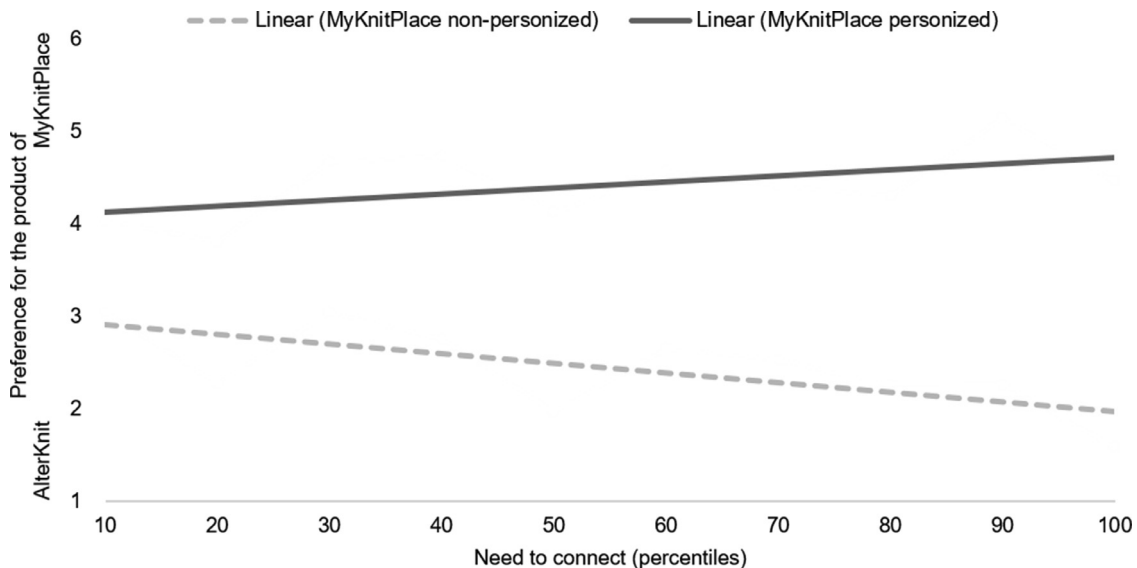


Fig. 1. The moderating effect of one's need to connect on one's preference for personalized producer products (Study 2).

with the product's producer. Hence, we should not observe the effect in case someone else is personalized, for example, another customer, as frequently done by marketers. This is because when considering to purchase a product, consumers want to get to know, and get connected with, the people behind the product (i.e., the producer). Personalizing just another customer is not instrumental in that regard. Note that the present experimental design can effectively rule out another alternative explanation: the possibility that the personalizing effect is merely driven by a quantity-of-information account. If we find the predicted interaction, the focal personalizing effect cannot be attributed to the mere provision of more information because the information provided is the same in both the personalized producer and customer condition.

Method

Five hundred eighty seven consumers ($M_{age} = 34$ years, 58% female, MTurk) indicated their preference between products of two sellers of hats using the same manipulation as in Study 2 (i.e., providing personalizing information for one firm but not the other, manipulating which firm gets the personalizing information). In addition, we manipulated as a second factor whether the personalized individual was the firm's producer or the firm's most recent customer. Specifically, in the producer conditions, we described Joan Barnes as the knitter of AlterKnit and Susan Brady as the knitter of MyKnitPlace, and we varied which of the two producers received the personal description (as in Study 2). In the customer conditions, we either described Joan Barnes as the knitter of AlterKnit and Susan Brady as the latest customer of MyKnitPlace, or we described Joan Barnes as the latest customer of AlterKnit and Susan Brady as the knitter of MyKnitplace; in the customer conditions, we provided personal description only

for the latest customer.² Thus, this study used a 2 (AlterKnit personalized vs. MyKnitPlace personalized) \times 2 (personalized person is producer vs. another customer) between-participants choice design. After reading the product descriptions, we measured product preference ($\alpha = 0.96$) and perceived social connectedness to the producer with a three-item scale with the preamble "With the following questions, we are interested in how close you feel to the product creators of the two brands." (1) I feel closer to the knitter of AlterKnit / MyKnitPlace, (2) I feel more connected to the knitter of AlterKnit / MyKnitPlace, (3) I feel less distant to the knitter of AlterKnit / MyKnitPlace (where 1 = AlterKnit and 6 = MyKnitPlace, $\alpha = 0.96$). Note that in this study, we measured the perceived *degree* of social connectedness to the producer, which should be a mediator, whereas in the previous study we measured the general *importance* of connectedness to the participant, which is a moderator.

Results and discussion

A 2×2 ANOVA on product preference revealed a significant main effect of the personalizing factor ($F_{(1, 583)} = 18.89$, $p < .001$) and a significant interaction effect ($F_{(1, 583)} = 6.38$, $p = .01$). Follow-up contrasts revealed a stronger preference for products of MyKnitPlace when the producer at MyKnitPlace was ($M = 3.91$) versus was not personalized ($M = 3.05$, $F_{(1, 583)} = 23.65$, $p < .001$), replicating the results from Study 2. This difference was, however, not significant when the latest customer of MyKnitPlace was ($M = 3.55$) versus was not personalized ($M = 3.33$, $F_{(1, 583)} = 1.66$, $p = .20$, see Fig. 2).

² As in Study 2, we also provided the name, postal address, and the email addresses of the producers (customers) in all conditions (in the customer conditions, we added "the customer explicitly volunteered to have this information presented."

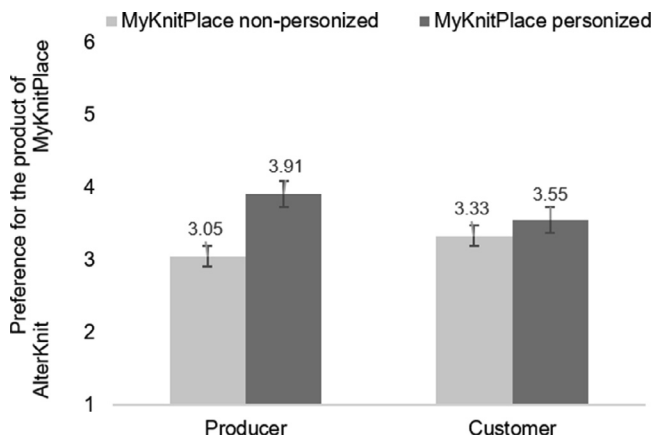


Fig. 2. The preference effect of personalizing the producer versus a customer (Study 3).

A 2×2 ANOVA on social connectedness also produced a significant main effect of the personalizing factor ($F_{(1, 583)} = 105.04, p < .001$) and a significant interaction effect ($F_{(1, 583)} = 47.68, p < .001$). Follow-up contrasts revealed that personalizing the producer led to stronger feelings of connectedness ($M_{\text{personalized}} = 4.52$ vs $M_{\text{non-personalized}} = 2.59, F_{(1, 583)} = 147.41, p < .001$) than personalizing the customer ($M_{\text{personalized}} = 3.55, M_{\text{non-personalized}} = 3.18, F_{(1, 583)} = 5.58, p = .02$). We thus find support for our theoretical account that the personalizing effect is specific to connectedness to the product creator and not to other individuals only peripherally related to the purchasing process or to the specific product. To further test our process, we ran a moderated mediation model (personalizing \rightarrow social connectedness \rightarrow preference) where the path between the personalizing treatment and connectedness is moderated by type of person (producer vs. customer personalized). Results confirmed a significant moderated mediation effect ($b = -1.30, SE = 0.19, CI_{95\%} -1.66, -0.93$); the indirect effect through connectedness was significantly stronger when the producer ($b = 1.62, SE = 0.13, CI_{95\%} 1.37, 1.87$) rather than the customer ($b = 0.32, SE = 0.15, CI_{95\%} 0.03, 0.60$) was made personal.

Study 3 thus finds that personalizing the producer increases consumers' feelings of connectedness to the producer, which helps to explain an increased preference for the underlying products. Consistent with our theorizing, this pattern of effects is found to be specific to the producer being personalized (if instead a customer is being personalized, the effects are attenuated). These patterns also corroborate that our findings cannot be explained by storytelling per se or by the amount of information given about a store as in that case we would not expect stronger effect of personalizing producers than of personalizing customers.

In sum, the results of Study 3 provide process evidence through moderated mediation (personalizing the producer increases consumers' feelings of connectedness to the producer, which helps to explain an increased preference for the underlying products) and refute the possibility that the focal personalizing effect can be attributed to the mere provision

of more information. From a managerial perspective, the results further suggest that personalizing a customer is, ceteris paribus, less effective than personalizing the producer.

Study 4 – Consumers' persuasion knowledge moderates the personalizing effect

In Study 4, we aim to test persuasion knowledge as a moderator that should attenuate the preference effect of presenting personalized producer information. Whenever firms present information that is not directly related to the product itself, some consumers may ask themselves about the reasons why firms provide such information in the first place; they might activate metacognitive beliefs regarding the firm's underlying intentions. Specifically, consumers might perceive the provision of personal information about the producer as an effort to persuade them to buy their products (see Campbell and Kirmani 2000; Friestad and Wright 1994). If this is the case and consumers infer ulterior persuasion motives underlying the presentation of personalized producer information, we expect a significantly reduced personalizing effect. Thus, if consumers activate such persuasion knowledge, any feelings of connectedness to the personalized producer should be less important. More broadly, we expect that the personalizing effect will be attenuated if consumers are inclined to challenge the firm's intrinsic motivation for making producers personal. In addition to examining this moderator variable, this study and an add-on study seek to address another series of alternative explanations.

Method

One hundred twenty three consumers ($M_{\text{age}} = 38$ years, 49% female, MTurk) participated in a study using the same basic design and stimuli as used in Study 2. In addition to product preference ($\alpha = 0.98$) and connectedness ($\alpha = 0.98$), we measured a series of alternative mediators including quality (the hats of AlterKnit/MyKnitplace are of lower quality), authenticity (the hats of AlterKnit/MyKnitplace are more authentic; e.g., Newman and Dhar 2014), anthropomorphism (it seems the hats of AlterKnit/MyKnitplace had come alive; e.g., Aggarwal and McGill 2007) love (it seems the hats of AlterKnit/MyKnitplace contain less love; e.g., Fuchs, Schreier, and van Osselaer 2015), and social presence (there is more sense of human contact in the hats of AlterKnit/MyKnitplace; e.g., Schroll, Schnurr, and Grewal 2018). All items were taken from established scales where 1 = AlterKnit and 6 = MyKnitPlace). Finally, we measured persuasion knowledge, our moderator variable, with four items adapted from Campbell and Kirmani (2000): "I thought this is all a marketing gimmick used to get consumers to buy," "I think that companies present personal information about their producers only as another way to increase sales," "I thought this is just a persuasion attempt to sway consumers," and "I thought that companies provide personal information about their knitters as a way to influence or persuade their target customers" (where 1 = strongly disagree and 7 = strongly agree; $\alpha = 0.93$).

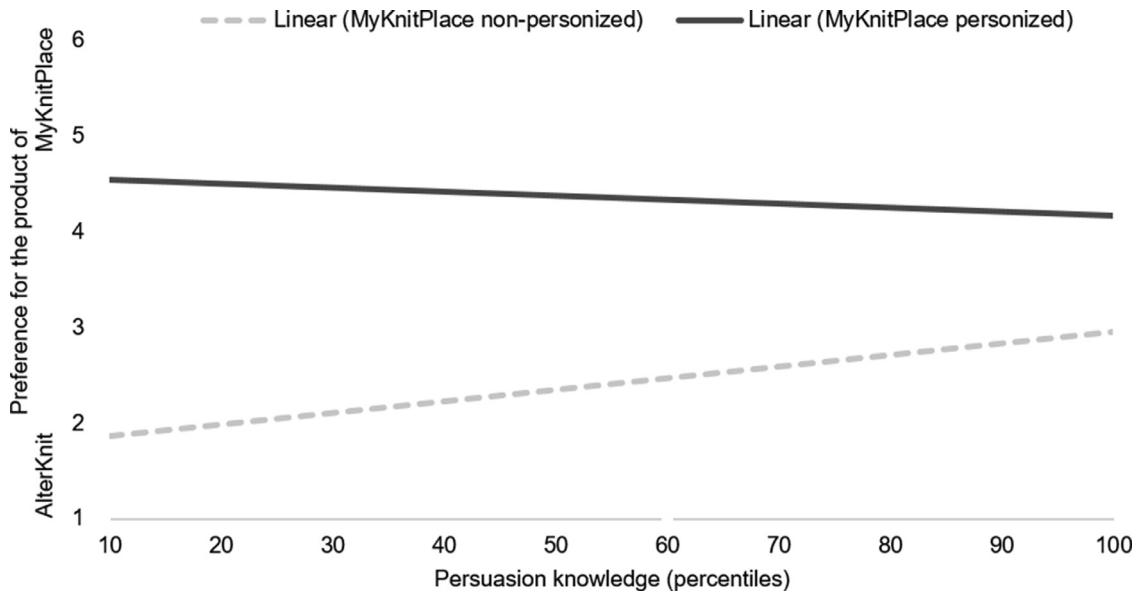


Fig. 3. The moderating effect of one's persuasion knowledge on one's preference for personalized producer products (Study 4).

Results

Moderation

We first tested whether consumers' persuasion knowledge moderates the personalizing effect. We therefore regressed product preference on the personalizing factor, the mean-centered persuasion knowledge scale, and their interaction. Results of a moderation model using bootstrapping procedures reveal a significant main effect of personalizing ($b = 1.73$, $SE = 0.25$, $p < .001$, $M_{\text{personalized}} = 4.39$, $M_{\text{non-personalized}} = 2.68$) and an insignificant main effect of consumer's persuasion knowledge ($b = 0.10$, $SE = 0.09$, $p = .25$). Importantly, we also obtained the predicted interaction effect ($b = -0.39$, $SE = 0.18$, $p = .03$). Participants who scored lower on persuasion knowledge indicated a significantly higher preference for products of MyKnitPlace when the producer at MyKnitPlace was (vs. was not) personalized. The moderation effect is displayed in Fig. 3—notably, the personalizing effect on preference becomes insignificant at the 95.94th percentile of persuasion knowledge (Johnson-Neyman point).

Mediation

We next tested whether the main effect of personalizing is mediated by social connectedness to the producer. As in Study 3, we find that personalizing makes participants feel more connected to the producer ($M_{\text{personalized}} = 4.90$, $M_{\text{non-personalized}} = 2.34$, $t_{(121)} = 11.40$, $p < .001$). A basic mediation model (personalizing \rightarrow social connectedness \rightarrow preference) confirmed that the indirect effect through social connectedness is significant ($b = 1.93$, $SE = 0.28$, $CI_{95\%} 1.43, 2.52$). We next ran the same basic mediation model but specified the path between connectedness and preference to be moderated by persuasion knowledge. Results revealed a significant moderated mediation effect ($b = -0.17$, $SE = 0.08$, $CI_{95\%} -0.33, -0.02$): the indirect effect through connectedness

is significantly reduced when participants believe a persuasion motive underlies the provision of the personalized producer information. This finding thus validates the idea that the activation of persuasion knowledge dampens the path from feelings of being close to the producer to greater product preference.

Alternative explanations

Finally, we tested the mediating effect of our proposed mediator (connectedness with the producer) relative to the alternative explanations centered around different product perceptions (quality, authenticity, anthropomorphism, love, and social presence in the product). A multiple mediation model including all the potential mediating variables simultaneously reveals significant indirect effects of connectedness ($b = 1.23$, $SE = 0.38$, $CI_{95\%} 0.55, 2.05$) and of product quality ($b = 0.17$, $SE = 0.09$, $CI_{95\%} = 0.02, 0.37$); the indirect effects of the remaining mediators are not significant (their 95% confidence intervals contained zero). In addition, a mediation model with quality, authenticity, anthropomorphism, love, and social presence as covariates also demonstrated that the indirect effect of feelings of connectedness remains significant ($b = 0.59$, $SE = 0.22$, $CI_{95\%} 0.24, 1.08$). The findings thus show that feelings of connectedness to the producer mediate the personalizing effect above and beyond any product-related effects. In addition, we conducted a separate two-cell add-on study (see Web Appendix A6) ($N = 201$, $M_{\text{age}} = 33$ years, 24% female, MTurk) using the same stimuli and dependent variable as in Study 2. In addition to connectedness, we also measured surprisingness, novelty, and mere differentiation as potential alternative mediators. A mediation model including all mediating variables simultaneously reveals significant indirect effects of connectedness ($b = 0.42$, $SE = 0.13$, $CI_{95\%} 0.19, 0.70$) and surprisingness ($b = 0.11$, $SE = 0.07$, $CI_{95\%} 0.0016, 0.26$), and non-significant indirect effects of novelty and mere differentiation. In a mediation

model where these alternative explanations are added as covariates, the indirect effect of connectedness remains significant ($b = 0.13$, $SE = 0.07$, $CI_{95\%} 0.0036, 0.29$).

Taken together, Study 4 provides further insight into the personalizing effect by demonstrating that the effect on product preference is reduced when consumers perceive a persuasion attempt behind the provision of personal information. In addition, the evidence highlights that the effect of making producers personal is primarily driven by our focal connectedness explanation as opposed to a host of alternative explanations involving perceptions about the product as well as personalizing as a strategy.

General discussion

In today's marketplace most economic relations between consumers and producers are anonymous and impersonal. Accordingly, consumers usually know nothing about the persons behind the products they consume. In this manuscript, we show that introducing the person behind the producer can increase consumer demand for the underlying products, and that this effect can be explained by increased feelings of social connectedness to the producer.

Theoretical implications

Our findings have several theoretical implications. First, we demonstrate that providing consumers with product-unrelated personal background information about a product's producer can increase consumer demand for that product, operationalized, for example, as consumers' actual, incentive compatible willingness to pay. We believe this basic finding is interesting because economically consequential purchase decisions arguably should not be affected by personal information such as the producer's pastimes, family situation or hobbies, particularly when accountability is held constant. Whether someone, for example, lives in a wooden house, likes to ski, or likes to go for an occasional beer after work hardly seems relevant to the quality of their work (and note that our effect remains robust even when quality inferences are controlled for). More broadly, our research advances our understanding of whether and why non-competence related information about producers can affect consumer demand.

Second, our research contributes to the broader literature on interpersonal relations in economic life. Specifically, we show that providing personal information about the producer facilitates consumers forming relationships with the product producer. Yet, these relationships are more pseudo-social than real, two-way, social relationships, as the consumer is *not* in direct contact with the producer and vice versa. We thereby advance the seminal but often forgotten conceptual work of Simmel (1903), which laid the foundations of our understanding of social relations in economic life. Our work furthermore provides empirical evidence that feelings of being psychologically connected to the producer can create value to consumers. In this regard, it is notable that consumers do not necessarily need to interact directly with

the producer for positive effects to occur; our study suggests that one-way communication from producers to consumers is sufficient to produce positive downstream consequences. More generally, our study also contributes to empirically establishing the value of tearing down the wall between consumers and producers (van Osselaer et al., 2020).³

Third, our proposed account based on social connectedness is conceptually different from other explanations anchored in studies on product contagion (see, Huang, Ackerman, and Newman, 2017 for an overview). The suggested process in these studies is caused by changes in the way consumers perceive the products (e.g., the product becoming more authentic or more imbued with love). In contrast to these product-related processes, we propose a process that is centered on the relationship between the human that produced the product and the human that consumes it.

Managerial implications

Our research suggests that producers can extract more value from their products if they provide information that allows their customers to "know" them as a person. Yet, our findings indicate that the positive personalizing effect is attenuated when consumers are suspicious about the firm's underlying motives. This suggests that firms and individual producers can get the full benefit from personalizing strategies unless they arouse strong suspicions regarding their intrinsic motivation to bring their producers closer to consumers. Any extrinsically-driven short-cut seems not worth the effort if consumers catch on and, per consequence, not show any favorable personalizing effects on product demand.

Our results also suggest that the positive effect of personalizing may be relatively specific as the effect unfolded only when the personalized individual was the producer and not another consumer only peripherally related to the purchasing process. Of course, more studies are needed to better understand how much personal information is necessary to unfold the effect of personalizing. Would only a few pieces of personal information be sufficient to make consumers feel more connected? Finally, it would be interesting to see if, when, and how other processes in addition to the connectedness account may contribute to the personalizing effect.

Supplementary materials

Supplementary material associated with this article can be found, in the online version, at [doi: 10.1016/j.jretai.2021.10.004](https://doi.org/10.1016/j.jretai.2021.10.004).

³ The present paper was cited as a working paper in the conceptual paper of van Osselaer et al (2020). Thus, the van Osselaer et al. (2020) paper, amongst others, builds on the present paper, which is the original research paper showing how personalizing the producer affects the consumer.

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