



HOW PERSONALIZED DATA- DRIVEN MARKETING CONFLICTS WITH AUTONOMY

People or profit?

“Some people say: “Give the customers what they want.” But that’s not my approach. Our job is to figure out what they’re going to want before they do.” – Steve Jobs

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Introduction

The ways of human production have changed drastically over the last centuries, and even more vigorously in the last decades. In the 18th and 19th century, mankind shifted from mainly agricultural activities to industrial activities characterized by mass and volume. Over the last century, technological innovations led to new industrial revolutions, Industry 2.0 and Industry 3.0, in which variety was introduced as an extra dimension. Since 2014, we are in the shift to Industry 4.0, caused by the fourth Industrial Revolution, which entails technologies such as big data, cloud computing and artificial intelligence amongst others.¹ Industry 4.0 allows for more digitalization, interconnectedness and mass customization.²

Within this changing environment, especially big data seems to have established its place in the economy in recent times. Within the field of marketing, big data is a potential gold mine for companies. People use digital tools daily to express themselves and participate in the economy and society. Examples are social media, online shopping and the use of news websites. These expressions and actions are gathered as data. Every digital footprint that is left in the online world may be utilized to improve the knowledge of customers in order to personalize the marketing communication. This knowledge fosters the effectiveness of business and ultimately leads to profits.³

¹ Yong Yin, Kathryn E. Stecke, and Dongni Li, "The Evolution of Production Systems from Industry 2.0 through Industry 4.0," *International Journal of Production Research* 56, no. 1-2 (2017): pp. 848-861, <https://doi.org/10.1080/00207543.2017.1403664>, 848-849

² Luis Miguel Fonseca, "Industry 4.0 and the Digital Society: Concepts, Dimensions and Envisioned Benefits," *Proceedings of the International Conference on Business Excellence* 12, no. 1 (January 2018): pp. 386-397, <https://doi.org/10.2478/picbe-2018-0034>, 390.

³ Ahm Shamsuzzoha and Heli Raappana, "Perspectives of Business Process Ethics in Data-Driven Marketing Management," *Security and Privacy* 4, no. 6 (2021), <https://doi.org/10.1002/spy2.177>, 1.

In this thesis, personalized marketing driven by online obtained data, also known as personalized data-driven marketing, will be touched upon. Big Data is integrated into various aspects of society, and data-driven marketing within almost every business. However, a critical reflection on these rapid developments is needed to protect the parties involved. This thesis aims to cover the debate regarding personalized data-driven marketing. There is controversy regarding this specific type of marketing. On the one hand, it may seem like the tailored recommendations suit the wishes of the consumer perfectly. However, personalized data-driven marketing could also negatively impact the values of the consumer. For example, the freedom of choice, autonomy and well-being of the consumer may be affected by personalized data-driven marketing.

With personalized data-driven marketing, the individual is shown a number of options, based on predictions and earlier consumer behavior, and therefore the options of the consumer are limited and narrowed down by the marketer. Moreover, classification puts customers in certain classes that determine how they will be targeted and what they will see.

The relevance of this topic is posited in the strong growth of the application of personalized data-driven marketing.

According to McKinsey, a renowned consultancy firm, the market for digital advertisements comprises 300 billion dollars in 2020⁴ and is expected to grow towards 450 billion dollars by 2026.⁵

An investigation of Forbes into several Fortune 1000 companies showed that 99% of the

⁴ Venky Anant et al., "The Consumer Data Opportunity and the Privacy Imperative," McKinsey & Company, April 27, 2020, <https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Risk/Our%20Insights/The%20consumer%20data%20opportunity%20and%20the%20privacy%20imperative/The-consumer-data-opportunity-and-the-privacy-imperative.pdf>.

⁵ Sylvia Jablonski, "Council Post: How Big Data Investments Could Affect a Variety of Industries," Forbes (Forbes Magazine, July 19, 2021), <https://www.forbes.com/sites/forbesbusinesscouncil/2021/07/19/how-big-data-investments-could-affect-a-variety-of-industries/?sh=a0ea7fe5bb3e>.

companies invests in Big Data and AI.⁶ Within the development of personalized data-driven marketing and its spectacular growth, the position of the customer should not be forgotten, as the consumer is the most important pawn in the game of capitalism.

The question can then be raised whether these rapidly developing techniques and approaches work for the advantage of the subject that they are targeted upon: the customer. Does personalized data-driven marketing affect the consumer? And if so, do the upsides of personalized data-driven marketing outweigh the downsides?

To address these questions, I will argue the following hypothesis in this thesis:

I will argue that personalized data-driven marketing affects the customer and that the disadvantages of personalized data-driven marketing outweigh the advantages, observed from the viewpoint of the consumer, when regarding his autonomy, freedom of choice and well-being.

The goal of this thesis is to present an adjusted form of personalized data-driven marketing that protects the customer against the marketeers. Instead of employing techniques and methods that work for the companies but infringe on the values of the consumer, marketing should also keep the customer's rights in mind. I will describe the implications of the current form of personalized data-driven marketing on the customer and

⁶ Randy Bean, "Decade of Investment in Big Data and Ai Yield Mixed Results," Forbes (Forbes Magazine, January 7, 2021), <https://www.forbes.com/sites/randybean/2021/01/03/decade-of-investment-in-big-data-and-ai-yield-mixed-results/?sh=22df8d09409e>.

the theories and notions of Zuboff and Foucault will be used to perform this evaluation.

Thus, this thesis can be seen as a critique of the ongoing developments in the field of digital and personalized marketing. The thesis may be considered to be interesting for policy makers, managers and entrepreneurs, as it offers a critical reflection on the current manner of targeting and treating customers and food for thought for how to change the current approaches in order to improve the conditions for the customers. I do understand that financial incentives might conflict with the social perspective, but I will opt to provide the reader with recommendations that do not fully undermine the current way of working and are feasible to apply in business.

In the first chapter, the concept of personalized data-driven marketing and related subjects will be covered in order to fully grasp the developments and techniques of this type of marketing. In the second chapter, the concepts of freedom of choice, autonomy and well-being will be dissected and possible linkages will be detected. After defining the concepts thoroughly, the third chapter will research the works of Shoshana Zuboff on Surveillance Capitalism. Additionally, the chapter will analyze the works of the French philosopher Michel Foucault on discipline, disciplinary power and Bentham's 'Panopticism'. After deciding which framework fits personalized data-driven marketing the best, that framework will be used to observe and describe the impact of the data-driven revolution on the above-mentioned concepts. Furthermore, the implications of a possible correspondence will be discussed. At the end of the third chapter, the pros and cons of personalized data-driven marketing will be evaluated and recommendations will be provided to adjust the current form of personalized data-driven marketing in order to protect the customer.

A literature review was chosen as the appropriate methodology for the objectives of this thesis. The research comprehends a review of the three concepts, using various sources, and a study of articles and books of both Shoshanna Zuboff and Michel Foucault.

Personalized data-driven marketing

In this chapter, I will touch upon what personalized data-driven marketing is. In the first subchapter, I will describe what the personalized element of the term ‘personalized data-driven marketing’ holds, how the phenomenon has developed and how it is applied in the realm of business. The second subchapter is dedicated to Big Data and data-driven marketing. In recent times, Big Data is a buzzword that is used often, but is not clarified most of the time. This subchapter is dedicated to explaining Big Data and more specifically, its applications in the field of marketing.

Personalization

Personalization is a versatile concept because the meaning of personalization is different for each business. Although the definitions provided in the article of Vesanen differ slightly from each other, amongst the definitions some key terms are repeated or explicitly stated: specialization, a specific individual and personal.⁷ So, in short, personalization is aimed at the individual customer. This specific customer is targeted with a specialized product or content. This product or the content is made personal for the particular customer. The products and services offered are created by using customer information gathered through behavior and transactions.

⁷ Jari Vesanen, “What Is Personalization? A Conceptual Framework,” *European Journal of Marketing* 41, no. 5/6 (May 2007): pp. 409-418, <https://doi.org/10.1108/03090560710737534>, 409.

The idea of personalization springs forth out of the idea that customers have hidden preferences that can be revealed by marketers. Based on what is learned from the customer, companies can offer superior value to the customers.⁸

An important distinction to be made is the distinction between two terms that are often confused: personalization and customization. Personalization is automated by the marketer on behalf of the customer, whereas customization is requested by the customer.⁹ So, in the case of personalization, the marketer judges what the customer wants, while customization gives the power to the customer to decide what is desired. For performing this personalization, analytical tools are utilized to extract customer information.

Placed in a historical perspective, personalization can be seen as a break with the past. In earlier times, particularly the Industrial Age, the focus was on mass production and standardization of products and services. As an example, the car manufacturer Ford introduced the world to mass production of cars as never seen before in the early 20th century.¹⁰ The first personalized marketing letters have already been traced in the 1870s.¹¹ However, shortly after, catalogue companies started to grow which inevitably led to an impossibility in communicating with customers on a one-to-one basis. After some time, the mass-marketers of the catalogue companies started to realize that personalization could offer a higher response rate of customers. As a result, the first signs of a renewed interest in personalized offerings were noticeable in the 1940s. Over time, the effects of personalization wore off again as the response rates increased not enough to outweigh the costs of

⁸ Anne Sunikka and Johanna Bragge, "What, Who and Where: Insights into Personalization," *Proceedings of the 41st Annual Hawaii International Conference on System Sciences (HICSS 2008)*, January 10, 2008, <https://doi.org/10.1109/hicss.2008.500>, 1.

⁹ Alan Montgomery and Michael D. Smith, "Prospects for Personalization on the Internet," *SSRN Electronic Journal*, May 2008, pp. 130-137, <https://doi.org/10.2139/ssrn.1169874>, 130.

¹⁰ John Bell Rae, "Automotive Industry," *Encyclopædia Britannica* (Encyclopædia Britannica, inc.), accessed June 15, 2022, <https://www.britannica.com/technology/automotive-industry>.

¹¹ Vesanen, "What Is Personalization? A Conceptual Framework," 410.

personalization.

As postage costs advanced, mass-marketing with catalogues ended up being economically unfeasible and niche catalogues targeted at specific prospects emerged. Developments in technology that fostered statistical and financial analysis empowered a rejuvenation for segmenting and targeting customers. Since the 1990s, the age of personalization has started, accompanied by the strong growth of common citizens having access to the Internet.¹²

The role of personalization is increasing on the internet and specifically in the online operations of businesses. There are several reasons why personalization has become important in Internet-based applications.

Firstly, personalization can be a source of competitive advantage, because companies can offer differentiation in their products and services. Secondly, as the number of choices available to customers is overwhelming on the Internet, companies can add value by simplifying the decision process for the customer. Thirdly, the costs of gathering, processing and storing customer data has drastically decreased. Therefore, companies are able to offer customized and personalized products and services at a low cost.¹³

The process of personalization consists of three stages: learning, matching and evaluation. The learning stage seeks to collect customer data and use that data to learn about the preferences of the customer. In the subsequent stage, the firm uses the knowledge gathered in the learning stage to provide the customers with an offering that satisfies their preferences and to target the right customers with the right product or service. This matching

¹² Vesanen, "What Is Personalization? A Conceptual Framework," 404-405.

¹³ B.P.S. Murthi and Sumit NMI1 Sarkar, "The Role of the Management Sciences in Research on Personalization," *SSRN Electronic Journal*, October 1, 2003, <https://doi.org/10.2139/ssrn.407940>, 1344.

is conducted with recommendation systems. The last stage is employed to evaluate the effectiveness and quality of the learnings and matching endeavors.¹⁴

Personalization can be seen as an organizational practice that extends the choice possibilities of the consumer. Market practices influenced by personalization tend to treat the consumers as groups of people that have the same lifestyle and ways of living. These groups are not fixed though: the recommender systems start with who we are, and then place the individuals in cultural groups that can change.¹⁵

Currently, there are several ways in which personalization is already implemented: personalized search, personalized recommendations and personalized price and promotion. Personalized search uses previous searches of users of search engines to adapt the search results. The search engines aim to contextualize the user and provide the user with the most suitable search outcomes, based on the user's knowledge base, goals and previous behavior. Personalized recommendations use previous behavior and customer information to offer recommendations to the customer. A dimension of recommender systems is 'collaborative filtering', which uses information about groups to offer relevant items to individuals.¹⁶ The suggestions are based upon the similarity of the user with other user's preferences.¹⁷ The systems are built upon the assumption that shared preferences of users in the past predict shared preferences of the same users in the future.

Personalized price and promotions practices are mostly adopted in the airline, transport and hotel industry. This phenomenon is mostly known under the name of 'dynamic pricing',

¹⁴ Murthi and Sarkar, "The Role of the Management Sciences in Research on Personalization," 1346.

¹⁵ Jannis Kallinikos and Cristina Alaimo, "Recommender System as a Mediating Technology of Organization," *The Oxford Handbook of Media, Technology, and Organization Studies*, December 17, 2019, pp. 400-411, <https://doi.org/10.1093/oxfordhb/9780198809913.013.33>.

¹⁶ Kallinikos and Alaimo, "Recommender System as a Mediating Technology of Organization," 401.

¹⁷ Montgomery and Smith, "Prospects for Personalization on the Internet," 133.

which means that the prices are adjusted and customized based on supply, demand, competition or other factors.¹⁸ An example is an Uber ride, which is more expensive when you book it just after a concert has finished than if you book the ride on a calm afternoon.¹⁹

In the domain of the Internet, Yahoo was one of the first companies to use personalization on a large scale. Yahoo introduced its My Yahoo! Application in 1996, which offered a personal copy of the standard Yahoo page. It offered a wide variety of modules, from which the customer could select their favorites. Amongst the modules were stock prices, (local) weather and sports scores.²⁰ My Yahoo! was launched shortly after Yahoo!'s launch and directly became one of the most popular creations of the company.²¹

Big Data and data-driven marketing

In the increasingly online domain that exists in the current days, data play a crucial role. In 2012, already more than 2,7 Zettabytes of data existed; 1 Zettabytes is 10^{21} bytes. The term 'Big Data' was coined by Roger Magoulas in 2005 to describe an enormous amount of data that cannot be processed by the traditional data management techniques anymore. Erik Brynjolfsson, an economist of the Massachusetts Institute of Technology, compares Big Data to the invention of the microscope. He argues that both techniques are able to measure things in a revolutionary way. Whereas the microscope allowed scientists to measure things as never

¹⁸ Anna Priester, Thomas Robbert, and Stefan Roth, "A Special Price Just for You: Effects of Personalized Dynamic Pricing on Consumer Fairness Perceptions," *Journal of Revenue and Pricing Management* 19, no. 2 (January 23, 2020): pp. 99-112, <https://doi.org/10.1057/s41272-019-00224-3>, 99.

¹⁹ Michael Sheldon and M. Keith Chen, "Dynamic Pricing in a Labor Market," *Proceedings of the 2016 ACM Conference on Economics and Computation*, 2016, pp. 1-19, <https://doi.org/10.1145/2940716.2940798>, 4-5.

²⁰ Udi Manber, Ash Patel, and John Robison, "Experience with Personalization of Yahoo!," *Communications of the ACM* 43, no. 8 (2000): pp. 35-39, <https://doi.org/10.1145/345124.345136>, 35.

²¹ "My Yahoo!," Wikipedia (Wikimedia Foundation, January 27, 2021), https://en.wikipedia.org/wiki/My_Yahoo!

before, Big Data allows data scientists to gather and measure behavior and sentiments to an extremely detailed extent.²²

Big Data has four aspects: volume, velocity, variety and veracity. Volume stands for the quantity of data that is gathered by an organization in order to obtain information and knowledge. Velocity alludes to the time in which the data can be processed. Variety refers to the type of data: structured or unstructured. Lastly, veracity points to the degree of trust the manager has in the provided data.²³

Big Data has applications in several domains of businesses. A few examples are improving security in information technology by analyzing patterns in data, improving the customer service by analyzing customer data, improving products and services by analyzing customer preferences on social media and detecting fraud in online transactions.²⁴

Davenport et al. identify several types of business applications of Big Data.

Firstly, Big Data can be applied in customer-oriented processes like scoring patients for their health risk or identifying fraud in customer behavior. Moreover, Big Data can be used to monitor the ongoing process to detect changing needs or behavior. Lastly, Big Data can be used to explore network relationships, mostly on social networks.²⁵

Retailers like Walmart are enabled by Big Data to analyze sales, pricing and geographic data, for instance, to determine the offering at particular stores and measure the

²² Brad Peters. "The Age of Big Data." *Forbes Magazine*, January 14, 2013. <https://www.forbes.com/sites/bradpeters/2012/07/12/the-age-of-big-data/>.

²³ Elena Ularu et al., "Perspectives on Big Data and Big Data Analytics," *Database Systems Journal* 3, no. 4 (December 2012): pp. 3-14, 4.

²⁴ Ularu et al., "Perspectives on Big Data and Big Data Analytics," 4.

²⁵ Paul Barth and Randy Bean Thomas H. Davenport, "How 'Big Data' Is Different," *MIT Sloan Management Review*, July 30, 2012, <https://sloanreview.mit.edu/article/how-big-data-is-different/>, 22-23.

effects of discounts at different locations. Dating sites, with Tinder as the best-known example, scan through the characteristics and communications of users to tailor the best matches to the customers.²⁶

In this thesis, the aim will be on a more specific and applied form of Big Data: (personalized) data-driven marketing. For traditional marketers, data offers a lot: marketers can learn about changing markets and create a customer-centric approach based on the data analysis.²⁷ The integration of data in the marketing strategy was needed: marketers were heavily criticized for not providing evidence of the influence of marketing expenditures on the return on investment. Data-driven marketing could offer a justification for the marketing expenditures.²⁸ The implementation of Big Data into the field of marketing enables to track what the users or customers buy and what interests and problems they experience.²⁹

Data-driven marketing can be defined as a form of marketing in which the decisions are based on the analysis of data and the flexibility in the segmentation of the clients. This type of marketing excludes subjectivity of marketers, as data and not opinion is leading. The acquired data will then be analyzed in order to create insights about customer behavior.³⁰ The main aim is to find patterns in the data that might clarify the thoughts and actions of the customer.³¹

²⁶ Peters, "The Age of Big Data,".

²⁷ Samantha Braverman, "Global Review of Data-Driven Marketing and Advertising," *Journal of Direct, Data and Digital Marketing Practice* 16, no. 3 (April 9, 2015): pp. 181-183, <https://doi.org/10.1057/ddmp.2015.7>.

²⁸ Devon S. Johnson et al., "The Marketing Organization's Journey to Become Data-Driven," *Journal of Research in Interactive Marketing* 13, no. 2 (January 10, 2019): pp. 162-178, <https://doi.org/10.1108/jrim-12-2018-0157>, 164.

²⁹ A.D. Nazarov, "Big Data Driven Marketing," *Proceedings of the International Scientific and Practical Conference on Digital Economy (ISCDE 2019)*, January 2019, <https://doi.org/10.2991/iscde-19.2019.3>, 12.

³⁰ Shamsuzzoha and Raappana, "Perspectives of Business Process Ethics in Data-Driven Marketing Management," 7.

³¹ Balakrishna Grandhi, Nitin Patwa, and Kashaf Saleem, "Data-Driven Marketing for Growth and Profitability," *EuroMed Journal of Business* 16, no. 4 (September 22, 2020): pp. 381-398, <https://doi.org/10.1108/emjb-09-2018-0054>, 381.

The three main streams of data-driven marketing are currently predictive marketing, marketing of visualization and personalized marketing. Predictive marketing aims to improve the quality of marketing and better fulfill the customers' needs and wants. The aim of marketing of visualization is to visualize certain actions or events in order to reach the viewer in a better understandable and more direct way. As the saying goes: one image says more than a thousand words. Personalized marketing can be defined as directed to certain people at a certain time, locally and with specific content. Moreover, the context has to be specific and the content has to be presented on a convenient device. The personalized marketing is driven by Big Data.³²

So, personalization, Big Data and data-driven marketing are all relatively new phenomena that have developed rapidly in the last decades. The abundance of data offers marketers the possibility to personalize the contact with (potential) customers and endeavor to find patterns in their behavior and profiles to serve them even better. Personalized data-driven marketing can then be defined as a form of marketing that gathers data about online behavior and transactions of individual agents to find patterns in order to serve the customer in a more personal way.

³² Nazarov, "Big Data Driven Marketing," 14.

The fundamental concepts regarding consumers

In this chapter, I will touch upon three fundamental concepts regarding the customer. In the first subchapter, the concept of ‘freedom of choice’ will be discovered. The second subchapter is dedicated to the concept of ‘autonomy’. In the last subchapter, the concept of ‘well-being’ will be elaborated.

Freedom of choice

To start with, freedom of choice will be touched upon. In the social sciences, the tendency to use ‘freedom’ and ‘freedom of choice’ interchangeably prevails. However, the two concepts can be distinguished. Freedom is concerned with the freedom of actions, whereas freedom of choice is concerned with the possibility of making a reasoned selection between alternatives. Moreover, some extent of freedom is possible without having freedom of choice at all; as freedom of choice is a kind of freedom, the reverse is not possible.³³

Within this thesis, freedom of choice is chosen over freedom as a fundamental concept regarding the customer. This decision has been made for several reasons. Firstly, freedom is much broader and more difficult to examine than freedom of choice. Especially in the online domain it may be complex to separately examine the freedom someone has. In the case of the freedom of choice, it is far easier to analyze the alternatives that are being presented to the customers. Secondly, the examination how data-driven marketing impacts the choice process of the consumer is of more interest to this thesis than the impact on the actions of the

³³ Ian Carter, “Choice, Freedom, and Freedom of Choice,” *Social Choice and Welfare* 22, no. 1 (February 1, 2004): pp. 61-81, <https://doi.org/10.1007/s00355-003-0277-z>, 62-75.

consumer as this thesis aims to judge whether the consumer is harmed in the process of making a choice about what to do. Thirdly, as autonomy and freedom are strongly related, freedom of choice adds value to this research as a parameter.

Freedom of choice is a central element of the good life, according to Aristotle. He even suggested that the freedom of choice distinguishes human beings from lower animals.³⁴ Although Aristotle never clearly defined the concept, it can be derived from his works that he intended freedom of choice to point at the capacity to pursue the ends that one recognizes as choiceworthy. The perfection of freedom of choice can then be known as doing well in directing the self towards the choiceworthy ends. Aristotle's conception of freedom of choice is strongly linked with the notion of rationality. The choiceworthy ends are not simply the ends one wishes to pursue, but are the ends that are favored by reason.³⁵

Freedom can be touched upon in two fundamental ways: positive and negative freedom. Positive freedom focuses on what a person can choose to pursue or achieve, whereas negative freedom primarily looks at the absence of restraints in what a person can do.³⁶ In the context of this thesis, where the individual consumer is observed, it seems that negative freedom is the suitable type of freedom to consider. The impact of personalized data-driven marketing on the consumer in the sense of the classification of customers or limiting their options is examined; mainly, the restrictions of the freedom of choice are observed in the context of personalized data-driven marketing.

³⁴ Amartya Sen, "Freedom of Choice: Concept and Content," *European Economic Review* 32, no. 2-3 (March 1988): pp. 269-290, [https://doi.org/https://doi.org/10.1016/0014-2921\(88\)90173-0](https://doi.org/https://doi.org/10.1016/0014-2921(88)90173-0).

³⁵ Vivian Walsh, "Amartya Sen on Rationality and Freedom," *Science & Society* 71, no. 1 (January 2007): pp. 59-83, <https://doi.org/10.1521/isis.2007.71.1.59>.

³⁶ Sen, "Freedom of Choice: Concept and Content," 272.

So, in the context of personalized data-driven marketing, it is relevant to consider the impact of personalized data-driven marketing on the negative freedom of the consumer. It may be observed to what extent the consumer is limited or forced in a direction in the process of recognizing the choiceworthy ends. For example, by classifying the customer and targeting the customer with specific products, the customer might not acknowledge anymore what all the ends are that he aims to pursue and is guided by what is provided to him by the company.

Autonomy

Autonomy is the second concept that will be treated in this chapter. Autonomy is a concept with its origins back in ancient philosophy. The word stems from the Greek words *autos*, self, and *nomos*, rule, and was originally applied to city-states that ruled themselves. So, the literal meaning of autonomy is ‘self-rule’. It can be defined as the capacity of the individual to govern oneself.³⁷

This definition may sound slightly similar to the concept of freedom of choice explained above, but the concepts can be distinguished. Freedom of choice is a constituent of autonomy. Therefore, mutual reinforcement takes place between the two concepts, as freedom of choice contributes to autonomy and autonomy validates the freedom of choice.³⁸

Autonomy is broader than only the freedom to choose. It also encompasses the freedom to act, the freedom to think, the freedom from obligation and the individual’s moral individuality.³⁹

³⁷ James Stacey Taylor, “Autonomy,” Oxford Bibliographies, September 30, 2013, <https://www.oxfordbibliographies.com/view/document/obo-9780195396577/obo-9780195396577-0167.xml?rskey=OIpMEF&result=1&q=autonomy#firstMatch>.

³⁸ Meir Dan-Cohen, “Conceptions of Choice and Conceptions of Autonomy,” *Ethics* 102, no. 2 (January 1992): pp. 221-243, <https://doi.org/10.1086/293394>, 221.

³⁹ R. S. Downie and Elizabeth Telfer, “Autonomy,” *Philosophy* 46, no. 178 (1971): pp. 293-301, <https://doi.org/10.1017/s0031819100016934>, 301.

Within the broad definition, autonomy can be divided into three branches: moral, personal and political autonomy. Moral autonomy is the capacity to guide oneself through moral issues instead of following others' moral laws. Personal autonomy is the capacity to govern the course of one's own life and decide on one's own actions, often whilst not taking morality into consideration. Political autonomy is the capacity to decide for oneself in the political context.⁴⁰

For this thesis, personal autonomy is the most applicable. The thesis will examine whether the consumer has the capacity to decide for oneself what he wants to purchase and how he wants to act. Moral content is not necessary for this examination and politics neither. Despite that, companies might impose their beliefs of morality on individuals by steering them towards certain actions or purchases. The same can be said for companies imposing their political standpoints on individuals. So, although personal autonomy fits the topic the best, the political and moral bias of companies should be tracked to safeguard the consumers.

The autonomous individual should be able to act on his own behalf; there should be no people, institutions or circumstances that limit the self-control of the individual. So, individuals claim in that sense that they have the power over their own sphere of life, and that no external party has the authority to control that sphere.⁴¹ This claim of authority can be justified by an argument relying on the metaphysical domain of agency. In order to act, action is needed. No one except the agent has the power to perform that action. Therefore, the

⁴⁰ Dryden, Jane. "Autonomy." Internet encyclopedia of philosophy. Accessed June 16, 2022. <https://iep.utm.edu/autonomy/>.

⁴¹ Sarah Buss and Andrea Westlund, "Personal Autonomy," Stanford Encyclopedia of Philosophy (Stanford University, February 15, 2018), <https://plato.stanford.edu/entries/personal-autonomy/>.

individual has the authority over his own actions. So, the autonomy of an action or process can be judged by the features of an action or process internally to the individual.⁴²

Marina Oshana found, after considering several case studies, four conditions for autonomy. The first condition is critical reflection: the individual examines his own motivations, actions and environment out of the perspective of another comparable person and judges whether the motivations can be accepted by himself. Moreover, in order to be autonomous, an agent must not be affected by others in an autonomy-constraining way; this condition is coined ‘procedural independence’. This primarily aims at the authenticity of one’s own motivations. Thirdly, an individual should be exposed to a sufficient set of options. For example, if non-autonomy is the only option the individual has, this condition will not be satisfied. Finally, an individual embedded in society must have access to a social network that provides social and psychological security, so that the social relations enable the individual to pursue his desired goals. Especially this last condition can be characterized as a social-relational condition, which depicts the environmental context of autonomy.⁴³

In the context of personalized data-driven marketing, personal autonomy then implies that the consumer uses his own motivations to pursue his desires and actions, and decides about his own life. Consumers exercise autonomy when they choose from a sufficient set of options, without being intervened by external agents.⁴⁴ Whilst exercising autonomy in this context, the environment of the individual should provide security.

⁴² Dryden. “Autonomy.”

⁴³ Marina A. Oshana, “Personal Autonomy and Society,” *Journal of Social Philosophy* 29, no. 1 (March 1998): pp. 81-102, <https://doi.org/10.1111/j.1467-9833.1998.tb00098.x>, 93-95.

⁴⁴ Klaus Wertenbroch et al., “Autonomy in Consumer Choice,” *Marketing Letters* 31, no. 4 (August 2020): pp. 429-439, <https://doi.org/10.1007/s11002-020-09521-z>, 430.

Well-being

Well-being is considered to touch upon what is ultimately good for the individual. Although the term nowadays is mostly used to refer to an individual's health, it comprises how well the individual's complete life is. Well-being is a value that can be distinguished from moral or aesthetic values in the sense that it is 'good for' the individual itself, instead of just good or good for others.⁴⁵

There are three kinds of theories of well-being: hedonism, desire theories and objective list theories. Hedonism implies that well-being comes forth out of the optimal balance of pleasure over pain. Jeremy Bentham, one of the most prominent hedonists, stated that nature provided human beings with two sensations: pleasure and pain. As pleasure is pleasant and pain is unpleasant, the aim of human beings should be to achieve as much pleasure accompanied by a minimal amount of pain. These sensations may be valued by examining their intensity and duration. Desire theories opt to avoid the psychological evaluations of pain and pleasure and try to present a more tangible account of well-being. Based on an economic background, desire theories view well-being as the fulfilment of preferences and desires. These preferences and desires become clear in the choices the individuals make. Desire theories and their related visibility of preferences and desires enable the assessment of the satisfaction of preferences in the way of ranking preferences and utility functions. Objective list theories state that there may be items on its list that do not contain the psychological experience of pleasure and pain, as well as it states that it is not simply the

⁴⁵ Roger Crisp, "Well-Being," Stanford Encyclopedia of Philosophy (Stanford University, September 15, 2021), <https://plato.stanford.edu/entries/well-being/>.

preference-satisfaction of desire theories that counts. Instead, these theories also focus on items that do not consist of pleasurable experience and desire-satisfaction. Examples of items on the list are knowledge and friendship.⁴⁶ These objective list items are ‘prudential’ values, which are things that improve the human life.⁴⁷

Applied to the customer, well-being touches upon the benefits of goods and services for the customer.⁴⁸ Customer well-being is mostly valued using economic measures, such as the possession satisfaction model and the cost-of-living model. In the last century, social criteria as happiness, pleasure and life satisfaction have been added to the measures of customer well-being.⁴⁹

Thus, it seems that the desire theories are the most suitable for examination in this thesis, because the (psychological) pain and pleasure of the customer are difficult to gather and the objective list items are ambiguous. A more economic approach in the form of the desire theories can easier be witnessed, as customers will make their choices based on their preferences and desires; these choices become apparent in the number of sales of services and goods.

So, well-being may be examined in the sense that personalized data-driven marketing enhances the well-being of the customer if the personalized marketing improves the state of the individual and ultimately is good for the individual, and negatively affects the well-being

⁴⁶ Ibid.

⁴⁷ T. M. Scanlon and James Griffin, “Well-Being: Its Meaning, Measurement and Moral Importance.” *The Philosophical Review* 100, no. 2 (1991), <https://doi.org/10.2307/2185313>, 63.

⁴⁸ Naresh K. Malhotra, “Consumer Well-Being and Quality of Life: An Assessment and Directions for Future Research,” *Journal of Macromarketing* 26, no. 1 (June 2006): pp. 77-80, <https://doi.org/10.1177/0276146705285970>, 77.

⁴⁹ Ethan Pancer and Jay Handelman, “The Evolution of Consumer Well-Being,” *Journal of Historical Research in Marketing* 4, no. 1 (2012): pp. 177-189, <https://doi.org/10.1108/17557501211195118>, 177-186.

if it weakens the state of the individual and is ultimately bad for the individual. As long as the data-driven marketing does not lead to disadvantages for the overall state of the individual, it seems to be acceptable.

Concluding remarks

In conclusion, freedom of choice, autonomy and well-being are three relevant concepts for the customer. Customer autonomy is the extent to which the customer has the power and control over the decisions he makes; there should be no external parties interfering or influencing the decision. Freedom of choice is an element of autonomy. It specifically aims at how the consumers are affected or interfered in their process of pursuing their rational choiceworthy ends. Lastly, well-being is concerned with the good for the individual. The sphere of consumer well-being comprises the good of the goods and services for the consumer.

Several connections can be witnessed between the concepts. To achieve the good for the individual, the freedom to pursue the choiceworthy ends and to rule oneself are crucial. Moreover, as already discussed, the freedom of choice strengthens the autonomy of an individual. Lastly, the well-being of a customer may also foster more autonomy and freedom of choice: as someone achieves a good and a stable position in life, more opportunities to pursue the choiceworthy ends and to better and more independently rule oneself may become available.

The impact of personalized data-driven marketing

In this chapter, relevant literature will be examined to explore the impact of personalized data-driven marketing on the concepts elaborated in the past chapter.

In the first subchapter, Shoshana Zuboff's notion of 'Surveillance Capitalism' and her related theory will be described. In the second subchapter, Michel Foucault's literature about the 'Panopticon' and his notion of discipline and disciplinary power will be elaborated. The third subchapter will then be dedicated to the comparison between the two above-named philosophical frameworks in order to explore differences between them and to ultimately decide which framework fits the research subject the best. In the fourth subchapter, the impact of the suitable framework on the concepts will be discussed. The last subchapter will provide recommendations to improve the current form of personalized data-driven marketing.

Surveillance capitalism

Capitalism has always had a dominant logic of accumulation. Instances of this are mass production-based capitalism, with Henry Ford as one of the most well-known proponents, and financial capitalism. According to the British philosopher Shoshana Zuboff, the current dominant logic of accumulation is surveillance capitalism.⁵⁰

⁵⁰ Shoshana Zuboff, "Big Other: Surveillance Capitalism and the Prospects of an Information Civilization," *Journal of Information Technology* 30, no. 1 (March 1, 2015): pp. 75-89, <https://doi.org/10.1057/jit.2015.5>, 77.

Surveillance capitalism arose between 2002 and 2018.⁵¹ This form of capitalism has only a presence in the digital world. Instead of only being a technology or being located within one company, surveillance capitalism can be seen as a new economic order: the order directs the technology into action.⁵² The order and action are both expressed in the form of Big Data, as Big Data is a condition of it.⁵³

In her monumental book dedicated to surveillance capitalism, *The age of Surveillance capitalism: the fight for a human future at the new frontier of power*, Zuboff defines surveillance capitalism as ‘a novel economic order that claims human experience as free raw material for hidden commercial practices’.⁵⁴ Within this economic order, wealth is transferred in the form of human experience expressed in data to surveillance capitalists, who convert the data into profit. The main action of surveillance capitalism is ‘digital dispossession’ of human behavior expressed as behavioral data.⁵⁵ This data can then be used to even manipulate future behavior of the customer, as ‘we are learning how to write the music, and then we let the music make them dance’; past behavior can be analyzed in order to manipulate consumers into ‘good’ behavior in the future, with ‘good’ being the behavior desired by the surveillance capitalist.⁵⁶

Surveillance capitalism employs an unprecedented sort of power: instrumentarian power. This kind of power consists of the instrumentation and instrumentalization of

⁵¹ Shoshana Zuboff, “‘We Make Them Dance’: Surveillance Capitalism, the Rise of Instrumentarian Power, and the Threat to Human Rights,” *Human Rights in the Age of Platforms*, 2019, <https://doi.org/10.7551/mitpress/11304.003.0006>, 6.

⁵² *Ibid.*, 7.

⁵³ *Ibid.*, 11.

⁵⁴ Shoshana Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power* (New York: Public Affairs, 2019).

⁵⁵ Zuboff, “‘We Make Them Dance’: Surveillance Capitalism, the Rise of Instrumentarian Power, and the Threat to Human Rights,” 7.

⁵⁶ *Ibid.*, 23.

behavior, in order to predict, modify, monetize and control the behavior. With instrumentation, the global architecture of the rendition of human behavior is meant; with instrumentalization, the social relations of the surveillance capitalists that guide them towards the human experience is meant. Instrumentarian power supplants contracts and laws by the rewards and punishments of a new invisible hand: the invisible hand of the market of behavioral futures.⁵⁷ This market trades the predicted future behavior of individuals.

One of the first companies that applied the notion of Surveillance Capitalism to their business was Google. At first, Google already collected data of their users' behavior as a by-product before they acknowledged the potential economic value of the data. The economic value was hidden in the opportunities to use the consumer data to improve the search engine to suit the consumers even better. In a sense, the value created by the users was 'reinvested' in themselves again, by teaching the search engine with the consumer data and improving it in that way; Zuboff calls this the 'behavioral value reinvestment cycle'. Then, the dotcom bust occurred. To gather more revenue, Google started to apply the analytics to increase the relevance of the advertisements for the specific users; the value for the advertisers would then increase as well. The role of the customer changed drastically due to this development: instead of the ends, they became means in the behavioral futures market. Consumers became 'producers' of data that were used to predict behavior of individuals and groups in the future. These behavioral data that were used to make bets on future customer behavior were called the behavioral surplus. The aim of surveillance capitalism is the accumulation of this surplus.⁵⁸

⁵⁷ Zuboff, "Big Other: Surveillance Capitalism and the Prospects of an Information Civilization," 82.

⁵⁸ Zuboff, "'We Make Them Dance': Surveillance Capitalism, the Rise of Instrumentarian Power, and the Threat to Human Rights," 10-16.

Panopticism and disciplinary power

In his *Discipline and Punish: The Birth of the Prison*, Michel Foucault discusses the history of the modern penal system. In order to exercise power more efficiently, punishments were altered. Therefore, a shift from public torture to the prison occurred. This shift towards the prison as the place for every criminal coincided with the development of discipline.⁵⁹

The disciplines are methods that continuously and coercively control the bodies of the people. Although the disciplines already existed before they became widespread, in the 17th and 18th century they became a general formula of domination.⁶⁰ Discipline creates individuals, in the sense that the disciplinary space is divided in as many parts as there are bodies; the multitude of bodies is forced into a ‘multiplicity of individual elements’.⁶¹

Disciplinary power separates, analyzes and individualizes groups of people. It uses three types of instruments in order to achieve this: hierarchical observation, normalizing judgment and examination.⁶²

Hierarchical observation coerces through observation. In an ideal world, everyone would be continuously visible and watched. Foucault became inspired by the institutionalization and integration of the ‘look of others’, or the ‘gaze’, as Jean-Paul Sartre introduced. This gaze imposes power on someone else; everybody is vulnerable due to the Gaze of others.⁶³

⁵⁹ Michel Foucault, *Discipline and Punish: The Birth of the Prison*, trans. Alan Sheridan (London: Penguin Books, 2020), 6-9.

⁶⁰ *Ibid.*, 137.

⁶¹ *Ibid.*, 170.

⁶² *Ibid.*, 170.

⁶³ Angelina Vaz, “Who’s Got the Look? Sartre’s Gaze and Foucault’s Panopticism,” *Dalhousie French Studies* 32 (1995): pp. 33-45, 34.

Normalizing judgment consists of five parts. Deviations from correct behavior should be punished, not meeting the rule departs from it in the sense that non-compliance is incorrect, the punishment should be corrective, punishment should be avoided as its counter element gratification should be used more often and the distributive part of discipline creates gaps and hierarchies, but also punishes and rewards through its ranks.⁶⁴

Examination is a normalizing gaze that enables it to punish, classify and qualify. It introduced a mechanism with new features. Firstly, instead of the sovereign being visible, the subject became visible. Moreover, it brought individuality into the field of registration and documentation. Lastly, it enabled that every individual became an analyzable and describable case.⁶⁵

The architectural representation of disciplinary power is Jeremy Bentham's Panopticon. According to Foucault, the Panopticon is the 'diagram of a mechanism of power reduced to its ideal form'.⁶⁶ The literal meaning of 'panopticon' is all-seeing. The Panopticon is a building in the form of a ring, with a tower in the middle of it. The tower is the office of the inspector; the ring-formed building is the place of the cells of the inmates.⁶⁷ Thanks to the construction of special windows, inmates may always be observed, but the inmates do not know when they are observed. Therefore, the inmates tend to conform to the rules of the prison.⁶⁸ Due to its architectural construction only one inspector is needed to observe everyone; therefore, it is extremely cost-efficient.⁶⁹ This aligns with Bentham's philosophy based on utility.

⁶⁴ Foucault, *Discipline and Punish: The Birth of the Prison*, 182-83.

⁶⁵ *Ibid.*, 187-91.

⁶⁶ Michel Foucault, *Discipline and Punish: The Birth of the Prison*, trans. Alan Sheridan (London: Penguin Books, 2020), 205.

⁶⁷ Ivan Manokha, "Surveillance, Panopticism, and Self-Discipline in the Digital Age," *Surveillance & Society* 16, no. 2 (July 15, 2018): pp. 219-237, <https://doi.org/10.24908/ss.v16i2.8346>, 222.

⁶⁸ Jesper Taekke, "Digital Panopticism and Organizational Power," *Surveillance & Society* 8, no. 4 (April 28, 2011): pp. 441-454, <https://doi.org/10.24908/ss.v8i4.4181>, 444.

⁶⁹ Foucault, *Discipline and Punish: The Birth of the Prison*, 35.

So, the Panopticon involves three assumptions: the continuous presence of the ‘invisible’ inspector, the complete visibility of the inmates and the assumption of the inmates that they are being watched continuously.⁷⁰

In addition to their constant visibility, the inmates are also individualized thanks to the separate cells. The individualized inmate is an object in information, but never the subject of communication; he may be watched constantly but the operations of the system are hidden to him.⁷¹ So, the inspector does not have to be watching, but only the thought of the inmate that he is watching is sufficient. The presence of a being with the potential of observing the prisoner is enough to evoke fear and vulnerability that in its turn make the inmate conform to the morality of the prison. This is in line with Bentham’s notion that power should be unverifiable and visible: visible in the sense that the prisoner should see the outline of the tower, knowing that he could be watched; unverifiable in the sense that the prisoner should never know if he is being watched at the specific moment.⁷²

Applying the idea of the Panopticon to a group of people or even a society is called Panopticism. George Orwell’s famous novel *1984* is dedicated to this digital Panopticism. In the novel, everyone is constantly observed digitally by the Party. The idea of Panopticism signals a change in the exercise of power: from material and physical punishments to mental punishments. In the Panoptic system, the perception to be monitored constantly leads to the inmates being their own guards, in the sense that they conform to the rules by their constant

⁷⁰ Manokha, “Surveillance, Panopticism, and Self-Discipline in the Digital Age,” 222.

⁷¹ Bart Simon, “The Return of Panopticism: Supervision, Subjection and the New Surveillance,” *Surveillance & Society* 3, no. 1 (January 1, 2002): pp. 1-20, <https://doi.org/10.24908/ss.v3i1.3317>, 4.

⁷² Foucault, *Discipline and Punish: The Birth of the Prison*, 201.

visibility and the invisibility of the inspectors.⁷³ The power works in two ways: the power of the inspector over the inmates, and the self-disciplinary power of the inmate.⁷⁴

⁷³ Simon, "The Return of Panopticism: Supervision, Subjection and the New Surveillance," 7.

⁷⁴ Manokha, "Surveillance, Panopticism, and Self-Discipline in the Digital Age," 234.

Critical inquiry of the frameworks

So, both surveillance capitalism and Panopticism and the related disciplinary power are frameworks that may be used to examine the phenomenon of personalized data-driven marketing. The frameworks resemble each other slightly, but also differ on various elements.

The three assumptions of the Panopticon do resemble the circumstances under the logic of surveillance capitalism. The 'invisible' gathers the data of the individuals with each trace they leave online, the individual is completely visible in its online behavior and the individuals are watched continuously online and their profile is changed accordingly.

However, surveillance capitalism differs from Panopticism and disciplinary power in the sense that its instrumentarian power comprises more than only the control of behavior. Within surveillance capitalism, behavior may be easily modified in whatever direction and behavior may be monetized. This economic dimension is something that distinguishes surveillance capitalism of Panopticism, that is mainly focused on controlling and imposing power on the people instead of creating economic advantages from the behavior.

Shoshana Zuboff has stated that she has been inspired by Foucault in her thinking, but clearly distinguishes her notion of 'Surveillance Capitalism' from Foucault's Panopticism. In an interview with Sciencenode, Zuboff points to the all-encompassing nature of Surveillance Capitalism. The Panopticon only affects the subject when the subject is located within the Panopticon, but there is an outside. Therefore, you are able to step out of the prison and leave the Panopticon. In contrast to that, Surveillance Capitalism has no escape. This form of

capitalism is integrated into every form of our life and this is also intensifying in a rapid tempo.⁷⁵

Moreover, the form of the two frameworks is different. The Panopticon, as sketched by Foucault and Bentham, exercises physical and external power on the body; on the contrary, surveillance capitalism exercises digital surveillance on the individuals.⁷⁶ The disciplines of Foucault control the bodies of people, but not the digital world. In that sense, surveillance capitalism may be considered to be closely related to the notion of ‘discipline’ and the Panopticon but differs in the sense of its digital representation.

In the last subchapter, Orwell’s ‘1984’ is treated, in which digital Panopticism is demonstrated. So, Panopticism is not limited to the physical world, but may be applied in the digital world as well.

A fourth difference between surveillance capitalism and Panopticism is the absence of the self-disciplinary power in the theories of surveillance capitalism. Whilst Panopticism is known for its combination of the power the ‘inspector’ exercises and the power the ‘inmate’ exercises on himself, surveillance capitalism leaves out this self-disciplinary power in its theory. The surveillance capitalists track the behavior of the individuals constantly, but it is not stated that people alter their online behavior thanks to the presence of surveillance capitalism.

In conclusion, Zuboff’s framework seems to fit personalized data-driven marketing better. This may partly be explained due to the recency of the theory, although Foucault also lived in the second half of the 20th century; Foucault nevertheless died before the global

⁷⁵ ScienceNode, *ScienceNode*, October 14, 2017, <https://sciencenode.org/feature/shoshana-zuboff,-part-one-no-escape-from-the-panopticon.php>.

⁷⁶ Mathew Lawrence, “Control under Surveillance Capitalism: From Bentham's Panopticon to Zuckerberg's 'like',” Political Economy Research Centre, March 23, 2018, https://www.perc.org.uk/project_posts/control-surveillance-capitalism-benthams-panopticon-zuckerbergs-like/.

accessibility of the internet. Zuboff's framework has the advantage of dealing with the online world, instead of the physical world as Foucault does. This is not the most convincing argument, as Orwell represented a digital form of Panopticism in his '1984'.

Moreover, personalized data-driven marketing cannot be escaped easily, as every online action leads to data that in their turn may be utilized by businesses. A possible escape could be living without digital devices, but even then, individuals are forced to use digital devices at work.

Thirdly, the monetization-aspect of surveillance capitalism fits personalized data-driven marketing: personalized data-driven marketing is performed in order to ultimately boost profits.

Lastly, self-disciplinary power does not belong to the literature on personalized data-driven marketing. Although companies may steer potential customers into certain directions with specialized products and content, it has not been demonstrated that consumers themselves alter their behavior to approach the online world differently.

The impact of Zuboff's framework on freedom of choice, autonomy and well-being will be examined to find out the consequences of this framework for the customers. Based on that, recommendations will be provided to modify the current form of personalized data-driven marketing. Before that, a critical inquiry of this framework will be presented.

Zuboff's theory seems well-suited to be applied to personalized data-driven marketing but lacks certain aspects to be able to fully explain the impact of personalized data-driven marketing.

The first thing which surveillance capitalism lacks as a framework is that an economic order is not completely comparable to a form of marketing. Marketing does not span the entirety of

society and personalized data-driven marketing is simply a realm of approaches and techniques that personalize the approach towards customers based on data. Therefore, the impact of surveillance capitalism may logically be considered to be of a different magnitude than that of personalized data-driven marketing.

Another thing in which surveillance capitalism differs from personalized data-driven marketing is the goal of its operations. Personalized data-driven marketing has a quite narrow goal: enhance the profits of the company by offering the customers better products and content. Compared to that, the goal of surveillance capitalism is similar in a way but also different. The similarity is the economic motive behind surveillance capitalism: data are gathered in order to trade them on the market of behavioral futures. This economic motive differs from personalized data-driven marketing because in the case of the data-driven marketing the information remains inside the company. Within surveillance capitalism, the data 'escape' the company and enter the behavioral markets. The companies impacted by surveillance capitalism sell the data to external parties, whereas personalized data-driven marketing is used internally to boost sales and user satisfaction.

So, surveillance capitalism is the best-fitting framework to examine the impact of personalized data-driven marketing but is not the perfect framework because of its difference in scope and ultimate goal.

Impact of the framework

In her book, Zuboff discusses the impact of surveillance capitalism on the rights of human beings. According to Zuboff, one of the elemental rights of human beings is the right to the future tense. This right asserts that human beings should be able to autonomously decide what

the future looks like by making their own choices and commit themselves to their chosen future.

In the transformation from non-digital to digital marketing, the reliance of digital marketing on Big Data and surveillance practices has increased. There is a contradiction at the heart of digital marketing: digital marketing would not only enhance empowerment and autonomy, but also give the marketer the power to control and manipulate the customers' decision-making.

Digital marketing is based on technologies that create the choice contexts in which the customers make choices. The digital marketer increasingly possesses the ability to alter, or nudge, the consumer's behavior in a way that does not block any options or change the economic incentives. Thus, digital marketing conflicts with the right to the future tense, in the sense that the choice contexts are influenced by the marketer, so that the degree of autonomy of the consumer's decisions may be affected.⁷⁷

In the perfect world, creating the choice context for customers, also called 'hypernudging', answers the request of consumers for 'hyperrelevance': customers want to be presented with solely relevant content. To establish relevance for the customer, marketers need to know the customers and control the communication and environment. Hypernudges are nudges, funded on Big Data analytics that utilize marketing analytic techniques. The digital marketers believe that they create, through this hypernudging, a digital world of relevance for the consumer and in that sense empower the customer and its autonomy, next to

⁷⁷ Aron Darmody and Detlev Zwick, "Manipulate to Empower: Hyper-Relevance and the Contradictions of Marketing in the Age of Surveillance Capitalism," *Big Data & Society* 7, no. 1 (February 4, 2020): p. 205395172090411, <https://doi.org/10.1177/2053951720904112>, 1-3.

the manipulations and predictions. In this highly personalized space, in which irrelevant choices are filtered out, the freedom of choice and autonomy of the consumer harmoniously coincide with the surveillance and choice design. However, from a different point of view, this instrumentarian power, in the form of hypernudging, that is executed by the digital marketers may be utilized to suppress the human freedom to make one's own choices and is done so in favor of the parties on the market of behavioral futures.⁷⁸

Ergo, although filtering irrelevant choices for the customer may enhance the autonomy and freedom of choice of the customer, it also may suppress the right to make one's own choices and affect the freedom of choice and autonomy.

This right to the future tense shows similarities to some of the investigated concepts in the second chapter. The freedom to decide which choices should be pursued and which future one aims to construe seems to resemble the concept of autonomy; the right to the future tense is in a sense the self-rule described in the past chapter. Moreover, the freedom of choice resembles the right to the future tense in the sense that one should be able to pursue the choiceworthy ends. Therefore, the instrumentarian power exercised within surveillance capitalism impacts the individual's autonomy and freedom of choice.

The question then arises whether the well-being is affected by surveillance capitalism. This is an ambiguous issue, because of the difficulties in measuring what is ultimately good and ultimately bad for the consumer. The main question is whether surveillance capitalism improves the state of the individual. As personalized data-driven marketing is created to fit

⁷⁸ Aron Darmody and Detlev Zwick, "Manipulate to Empower: Hyper-Relevance and the Contradictions of Marketing in the Age of Surveillance Capitalism," *Big Data & Society* 7, no. 1 (February 4, 2020): p. 205395172090411, <https://doi.org/10.1177/2053951720904112>, 3-12.

the customer better and observe patterns in his behavior to predict his future behavior, it seems that this is to the consumer's advantage. However, personalized data-driven marketing increasingly narrows the options of the individual and steers the individual into a corner specified by the marketer. Whether the decreased autonomy and freedom of choice also do harm to the well-being of the customer may remain ambiguous, as it is not certain that decreased control of the consumer per se is worse.

So, mainly the autonomy and freedom of choice are impacted by surveillance capitalism. Whether the well-being is affected in a negative way is not clear yet.

(Dis)advantages of personalized data-driven marketing

As can be concluded from this examination of the impact, personalized data-driven marketing has a certain impact on the consumer. The autonomy of the consumer is negatively affected and the freedom of choice is suppressed by personalized data-driven marketing. On the one hand, personalized data-driven marketing provides advantages for the customer.

Firstly, the wishes of the customer are met in a better way, because of the personalized targeting instead of the same content or products and services for everyone. This may enhance the well-being of the customer, as the business might know better what the customer's preferences and desires are than the customer himself. An example is the American retailer Target that was able to predict whether a customer is pregnant based on this customer's transactions and direct pregnancy-related advertisements to the client. Remarkable detail: the customer herself

did not know that she was pregnant.⁷⁹ This is one of the examples that proves that business' algorithms may know the consumer better than the consumers himself. In that sense, the companies support the consumers in making the right decisions, as they possess a significant amount of knowledge about the customers and can therefore improve the state of the individual.

Furthermore, the freedom of choice may as well be enhanced by the marketer's hypernudging. Algorithmic techniques are used to create dynamic choice contexts to provide 'relevance' to the customer: personalized options that are meant to fit the customer's profile. As a consequence, the irrelevant options that do not fit the customer are filtered out. This implies that the set of options that is presented to the customer excludes irrelevant options that could only exhaust and confuse the customer. Therefore, presenting a relevant and narrowed down set of options may enhance the freedom of choice.

On the other hand, the past chapter has demonstrated that personalized data-driven marketing significantly influences the customer's well-being, freedom of choice and autonomy negatively. Then, the question arises whether the advantages of personalized data-driven marketing outweigh the disadvantages.

It remains the question whether knowing the customer better than the customer knows himself is desirable. Besides that, the customer is also able to filter out the relevant options themselves instead of the marketer performing that task and simultaneously controlling and surveilling the customer. So, it is unclear whether the customers really desire 'advantages' of personalized data-driven marketing, as they are also able themselves to select alternatives and

⁷⁹ Kashmir Hill, "How Target Figured out a Teen Girl Was Pregnant before Her Father Did," Forbes (Forbes Magazine, March 31, 2016), <https://www.forbes.com/sites/kashmirhill/2012/02/16/how-target-figured-out-a-teen-girl-was-pregnant-before-her-father-did/?sh=548856f26668>.

make choices, without a breach of their autonomy and freedom of choice. Ergo, personalized data-driven marketing seems to add moderate advantages for the consumer, whereas the disadvantages are significant.

In spite of that, personalized data-driven marketing adds a lot of value for the companies utilizing it: customers are better known, the choice context can be manipulated as the company desires and instead of selecting a general marketing strategy, a variety of personalized strategies can be used to target the multiplicities of individuals.

Thus, does personalized data-driven marketing really have tremendous advantages for the customers, or is it mostly useful and profitable for the businesses?

I think that the the disadvantages outweigh the advantages of personalized data-driven marketing, from the perspective of the customer. The advantages are not strong enough to outweigh the significant disadvantages, but companies tend to uphold the practice of personalized data-driven marketing to boost their operations. Therefore, I think that the current form of personalized data-driven marketing should be adjusted in order to protect the customer.

Recommendations

The recommendations that will be provided in this subchapter aim to enhance the conditions for the customer, so that the three values are better warranted than under the current form of personalized data-driven marketing. Firstly, the new form of personalized data-driven marketing should enhance the state of the individual with the goods and services. Secondly, the new form should provide a sufficient set of alternatives to enhance the freedom of choice. Thirdly, the constant visibility of the customer should be revisited and the four conditions of autonomy should be satisfied in order to enhance the autonomy of the consumer. In order to satisfy these improvements, a new form of personalized data-driven marketing could have the following outlook.

The first characteristic of the new form is that the algorithmic classifications are random and as neutral as possible. Instead of creating different classes between individuals based on the individual having a 'good' and 'bad' classification, that subsequently leads to growing inequalities in well-being, the methods and techniques should approach individuals as neutral as possible and in the case that some classification is necessary, a random classification should be the best option. This random classification would then likely not contribute to a growing inequality between people with a higher well-being than others, because in a random situation everyone has the same chance of a good classification.

Furthermore, the process of digital marketers filtering 'irrelevant choices' should be treated carefully and become transparent. On the one hand, presenting all potential alternatives to consumers is extremely confusing and exhausting for the consumer. So, a filtering in the number of options is well-advised. However, the assumption of the notion of

(hyper-)relevance of a marketer that inevitably leads to the marketer deciding for the customer what options should be filtered out, harms the freedom of choice of the customer. So, the process of filtering out the options for the consumer should be more transparent, in the sense that the customer should know the criteria for presenting certain options and leaving out others.

Additionally, the customer should be able to achieve some ownership over the traces he leaves. Instead of only being present in the online domain, without knowing what traces are left and what is done with the gathered data, the consumers should obtain an active role in knowing what traces are left and what may be done with the data. Instead of being solely an object of information, the customer should transform into a subject of communication, that also receives insights into the activities of the ‘inspectors’: the marketers.

Conclusion

This thesis evaluated the recent phenomenon of personalized data-driven marketing. More specifically, the thesis tried to examine whether the advantages of personalized data-driven marketing outweigh the disadvantages, or vice versa. After defining the concepts and investigating the advantages and disadvantages of personalized data-driven marketing, from the perspective of the customer concerning well-being, freedom of choice and autonomy, I came up with the following thesis: *I will argue that the personalized data-driven marketing affects the customer and that the disadvantages of personalized data-driven marketing outweigh the advantages, observed from the viewpoint of the consumer, when regarding the autonomy, freedom of choice and well-being.*

Within this evaluation, Foucault's work on disciplinary power and Panopticism, and Zuboff's work on surveillance capitalism were utilized in the investigation into the (dis)advantages. After critically revising both theories, Zuboff's theory was preferred over Foucault's theory as the suitable framework for assessing the impact of personalized data-driven marketing on the customer's freedom of choice, well-being and autonomy. Although personalized data-driven marketing might filter irrelevant options out and fits the consumer better than for example mass marketing, the customer's freedom of choice, autonomy and well-being are harmed significantly. Therefore, this thesis argued for adjustments to the current form of personalized data-driven marketing. The users should attain more ownership over the traces they leave on the internet. Moreover, marketers should be more transparent in their process of creating relevance for the customer and filtering options to build a custom-built choice set for customers. Last but not least, the algorithms should be written and trained

in such a way that individuals are not classified as good and bad. The algorithms should treat individuals as random as possible and avert creating hierarchies between individuals.

These recommendations may be considered to be utopian and idealistic, but this thesis aspires to be an inspiration for (future) entrepreneurs and managers. Shifting the perspective from the business to the consumer may cause a form of personalized data-driven marketing that doesn't treat humanity as an asset, but the data as an asset that supports humans.

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