

School of Business and Management

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Ethics and digital marketing: Assessing the state-of-the-art of psychographic profiling and influencing consumer behaviour through social influencers.

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School of Business and Management

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Declaration of Authenticity

This Individual Business Project has been prepared on the basis of my own work and that where other published and unpublished source materials have been used, these have been acknowledged.

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Executive Summary

This research study examines the intersection of ethics, digital marketing and consumer behaviour in the context of psychographic profiling and companies' use of social media influencers. In recent years, the rapid advancement of technology has transformed the marketing field, enabling businesses to collect vast amounts of consumer data and employ targeted strategies to influence purchasing decisions. This development has sparked ethical concerns regarding the privacy, autonomy, and wellbeing of individuals.

The primary objective of this paper is to critically assess the current state-of-the-art in psychographic profiling, a technique used to classify individuals based on their psychological characteristics, preferences, and behaviours. This study also focuses on evaluating the ethical implications associated with leveraging psychographic profiling to shape consumer behaviour through the influence of social media personalities, commonly known as social influencers.

To achieve these objectives, a comprehensive review of the existing literature on digital marketing, psychographic profiling, consumer behaviour, and ethical considerations has been carried out. Additionally, an analysis of case studies and real-world examples is undertaken to examine the practical implications and ethical issues faced by marketers when using psychographic profiling and social influencers.

These research findings reveal the complex interplay between digital marketing practices, psychographic profiling, and consumer behaviour. While psychographic profiling has shown promise in enhancing marketing effectiveness, it raises ethical concerns regarding the manipulation of individuals' emotions, privacy invasion, and the potential exploitation of vulnerable segments of the population. Furthermore, this study highlights the importance of transparency, informed consent, and responsible practices in digital marketing to mitigate the potential negative consequences.

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This research contributes to the existing literature by providing an up-to-date overview of the ethical considerations associated with psychographic profiling and the use of social influencers in digital marketing. The study calls for a balanced approach that acknowledges the potential benefits of personalised marketing while addressing the ethical implications and safeguarding consumer rights. By understanding the state-of-the-art in this field, marketers, policymakers, and scholars can engage in informed discussions and develop ethical frameworks that promote responsible and consumer-centric digital marketing practices.

Through the use of a qualitative methodology consisting of both interviews and focus groups, it was found that there is widespread consumer apprehension over most businesses' current ethical stance. This points to several management implications to address this apprehension. The most common participant suggestions were for greater transparency from both businesses and influencers, data privacy awareness and clearer terms and conditions.

A visual representation of this business project can be seen in Appendix 7 on page 56.

Keywords: *Ethics, digital marketing, psychographic profiling, consumer behaviour, social influencers.*

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1.0 Introduction

Consumer data has become an asset to businesses, changing the traditional practices of marketing. From the analogue methods of its past, digital marketing has evolved with a vast variety of technologies such as artificial intelligence, profiling, personalisation, and influencers shaping the way marketing is delivered. However, such digital marketing practices cause concerns regarding privacy and autonomy to rapidly emerge. Following the Cambridge Analytica data leak in 2018, attention was brought to the extent of profiling and personalization used by social media platforms such as Facebook to influence consumer behaviours and decision-making (Stroud, 2018). Advertisements and marketing content are created to appeal to certain preferences and interests based on data that has been collected about that individual and utilises algorithms with the use of artificial intelligence (AI) to profile individuals. Industries are using AI marketing tools to increase personalisation which can lead to better customer satisfaction and experience (Marr, 2022). Therefore, profiling in the modern marketing environment is inextricably linked to AI development. However, despite customer satisfaction, there are ethical and moral trade-offs regarding personal data and researchers remain unaware of the extent that AI technology and machine learning (ML) may manipulate consumer behaviour. One of the major concerns of such advanced technology is the uncertainty of how these machines may develop in the future. Hutchinson states that "ethical AI" must be adopted in the future to ensure that consumer data is protected. He describes this as the practice of ensuring that AI adheres to ethical guidelines such as "fundamental values, individual rights, privacy, non-discrimination and non-manipulation" (Hutchinson, 2022). The growth of AI and machine learning will have significant future implications to digital marketing techniques, including the ones being investigated in this project.

However, even if ethical standards were to be followed, there remains the problem of defining the term 'ethical'. Ethics can hold several subjective meanings and so will vary across organisations. Rather than creating clarity, ethical standards can cause more complications and disagreements. Therefore, it is vital that businesses are transparent and emotionally intelligent regarding their ethical behaviour and explain their motives to consumers openly.

Digital marketing techniques challenge ethical laws and are not fully understood by the consumer and are often abused by large corporations, for example Facebook and Google, which have leaked data from millions of users. As the digital world is evolving, data is being captured and analysed from multiple sources within a data lake to build consumer profiles. Social influencers and influencer marketing have had a considerable amount of responsibility in influencing consumer behaviour. To what extent is this breaching ethical laws and autonomy?

Psychological targeting and the exploitation of vulnerability have allowed businesses to adapt their marketing campaigns using digital marketing practices such as profiling to influence consumers decision making unknowingly. Social media platforms such as Instagram and TikTok have introduced an e-commerce capability where followers are able to purchase items through the newsfeed. Social media e-commerce is expanding, and AI algorithms are using consumer data to target specific products and services suited to the needs of the audience. Personalised marketing campaigns can be directed at consumers pain points, enhanced tailored consumer experiences and a bring a sense of individuality.

However, there is a cost to these benefits and many consumers are unknowingly aware of their data being used and are often vulnerable to this form of persuasion and manipulation of decision making. Taking an ethical stance, companies can misuse personal data and sell or share this information without consent. Furthermore, consumers' decision making can be manipulated according to the needs and wants of the business.

In order to assess whether profiling and influencer marketing can influence the purchasing process it is essential to examine to what extent users feel that they are purchasing out of choice

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and not through manipulation based on AI algorithms using private and personal data which may target consumers pain points and personality unknowingly. This is most important in relation to vulnerable groups in the community who are less technologically advanced. More importantly this project will assess how influencers and influencer marketing are largely responsible for shaping consumer behaviours. Furthermore, it will examine how businesses can implement changes to their digital marketing practices to ensure ethical guidelines are followed and consumer data and privacy is protected. Businesses must be transparent with their audience as to how personal data is being used. Transparency will help to increase consumer confidence and therefore help to build an honest and open relationship with the business as customers will feel trusted.

A study conducted in 2014, surveyed 900 people across 5 different counties (United Kingdom, Germany, China, The United States and India) to assess how aware consumers were that their data being used for advertising purposes, attitudes towards privacy and how they valued different types of data (Morey et. al, 2015). Results showed that only 25% were aware "their data footprints included information on their location" and just 14% understood that "they were sharing their web-surfing history too" (Morey et. al, 2015). Therefore, one theme that may need to be addressed is consumer awareness and consumer control. Businesses must adopt ethical data principles to educate consumers and be transparent with them on where and how their personal data is being used. Furthermore, whilst consumer trust may be highest in industries such as healthcare and financial services, the industries with the least trust include social media platforms such as Facebook and Instagram. Research has shown that only "14 percent of internet users encrypt their online communications, and only a third change their passwords regularly" (Anant et. al, 2020). Therefore, this suggests that businesses have a level of responsibility to ensure their consumers are educated and feel trusted handing over their personal data.

Data protection and privacy can be increased if businesses follow proactive measures, for example, data mapping and data infrastructure (Anant et. al, 2020).

1.2 Objectives and Aims

The aim of this piece of research is to assess the ethical implications of the current state of the art of digital marketing: Profiling and social influencers. In other words, this research addresses the following research question: "*What are the ethical implications of digital marketing practices, focusing on profiling and social media influencers and how can this influence consumer buying behaviour?*".

Applying a qualitative research methodology with a combination of interviews and focus groups, this research achieves the following objectives:

1. To assess the ethical milestones and evaluate the ethical trade-offs of profiling and influencers.

2. To examine ways of managing the ethical trade-offs through interviews and focus groups.

3. Provide suitable future recommendations for marketing practices on how to tackle these ethical implications.

1.3 Research Structure

The project will also consider recommendations on how businesses can implement strategies to increase transparency and trust with consumers. This project has five chapters. The following chapter is a review of relevant literature, on the digital marketing techniques of profiling and social media influencers, focusing on how this relates to consumer behaviour and data privacy. The third chapter is the research methodology which examines in detail the qualitative methods chosen; semi-structured interviews and focus groups. This chapter also explains how the data will be stored safely and in line with ethical and privacy standards. The final chapter of this project contains the data analysis and research findings, where recommendations will be made based on the outcome of the data collection. Finally, a conclusion will be made to summarise the key findings of the project.

The following chapter will review the existing literature of the topic mentioned in the project, psychographic profiling, personalisation, consumer behaviour, influencer marketing and ethical marketing strategies.

2.0 Literature Review

In the following chapter, psychographic profiling, personalisation, influencing consumer behaviour, influencer marketing and ethical marketing strategies will be analysed using paradoxes and frameworks to identify gaps in the current research and highlight any areas of debate.

Furthermore, managerial implications will be analysed, and recommendations will be made as to how businesses can reduce the risk of ethical issues occurring through digital marketing. The core themes that this chapter will focus on are psychographic profiling and influencer marketing in relation to influencing consumer behaviour and ethical limitations.

2.1 Paradoxes and frameworks

Personalisation-privacy paradox

The personalisation-privacy paradox is a key framework to describe the ethical dilemmas businesses face when using a personalised marketing strategy to improve the consumer experience whilst also respecting the consumers need for privacy (Awad and Krishnan, 2006, p.15). Information transparency and choice are two important factors to bear in mind to achieve ethical personalisation. Consumers should have the choice to opt-out or follow through with personalisation strategies and businesses must be transparent with their audience regarding the usage of personal data (Awad and Krishnan, 2006, p.14). This theory is relevant to the research question as it describes the ethical trade-off between receiving personalised advertisements while giving away personal data.

Self-congruity theory

Self-congruity theory can be used to explain how consumers mimic influencers who relate to their own self-concept (Xiao et al., 2021). Consumers can identify with an influencers persona which is similar to their own or follows similar interests, hobbies, values and goals. Interestingly, 'persona' comes from the Latin meaning 'sound-through' because it used to refer to the masks ancient actors wore. Therefore, a persona is etymologically a mask you wear, which is fitting considering its non-genuine use by influencers. Furthermore, 'aspirational self-congruity' can occur where consumers aspire to be a certain influencer and follow in their footsteps. This suggests that influencer marketing can be an effective strategy to foster a strong connection with consumers by offering them desirable brand personas to attach to, influencing consumer behaviour through the mechanisms of self-identity and relevance.

Goffman's staging theory

Goffman's staging theory states that people have 'front stage and backstage' behaviour. Influencers can easily manipulate their audience by altering their profile to suit others' needs and expectations, this is known as 'front stage' behaviour. On the other hand, according to Goffman, 'backstage' behaviour refers to the 'authentic' side of someone's personality and is usually hidden from the audience and often refers to the 'real life' aspects of their life. This has created ethical implications, as consumers are unaware of the authenticity of the influencer they are following. This is also known as 'self-presentation and impression management' (Merunková and Šlerka, 2019, p. 245). According to Merunková and Šlerka this type of behaviour may be easy for influencers as social media platforms have allowed people to build and create their own online identity which may be very misleading.

Goffman's impression management

Goffman's impression management occurs when people manage impressions given to other people, controlling the information in social interactions (Gambo and Özad, 2020, p.2). Participants may use this theory to determine answers and therefore not provide the most authentic responses affecting the reliability of the data collected. This theory must be taken into account when collecting data and ensuring ethical research.

2.2 Psychographic profiling

Psychographic profiling is defined as the "qualitative methodology of studying consumers based on psychological characteristics and traits such as values, desires, goals, interests, and lifestyle choices" (Revella, 2023). This technique can help businesses to market products and services based on consumers' emotions and values (Revella, 2023). Psychographics can help to create very detailed consumer personas linking back to self-congruity theory, specifically focusing on attitudes and beliefs. Elements that are tracked include personality types, lifestyles, interests, opinions and values (Revella, 2023). This data is then used by businesses to influence buying behaviour and expose content that is aligned with consumers interests. This form of profiling can lead to 'psychographic segmentation' - a type of market segmentation which divides consumers into sub-groups based on their consumption habits and lifestyle choices (Fleetwood, n.d.).

Subsequently, there are ethical issues raised with this form of segmentation, such as ethnocentric bias and inadvertent stereotyping (Murphy and Bloom, 2017). Grouping consumers with similar interests and opinions will rob them of exposure to different beliefs, the lack of which can potentially reinforce harmful ideologies. For example, political campaign

effectiveness which can potentially influence voting decisions and cause non-genuine results (Fenwick, 2018).

2.3 Personalisation

Personalisation marketing involves using data to create content that is directed towards the consumer's likes and interests. It is often used alongside psychographic profiling. This form of marketing may appear in many forms such as product recommendations, personalised emails, or targeted advertisements. In many cases, the use of influencers helps to facilitate personalised content to consumers.

Whilst personalisation may be a benefit to consumers as the marketing content they receive is relevant to their wants and needs, the mishandling of data, creation of echo chambers and discomfort causes ethical issues (Raitaluoto, 2023). Echo chambers are known as environments where consumers only encounter beliefs, thoughts, or opinions similar to their own. Therefore, reinforcing existing ideas and not exposing consumers to alternative ideas, which can increase prejudice and bias. Furthermore, consumers may feel a sense of discomfort if their personal data is being used in a manner that they are not comfortable with, and this can lead to negative brand relations. Therefore, businesses must be transparent and honest with consumers and communicate how and why their data will be used.

2.4 Influencing Consumer Behaviour

One of the main ethical debates surrounding these digital marketing practices is the level of power that influencers and businesses may have in influencing consumer behaviour and behaviours. Whilst many would like to believe that their decisions are based on their own free will and autonomy, minority groups may be extremely vulnerable and disadvantaged. Disadvantaged consumers may have less self-control and seek interpersonal relationships. According to Andreasen and Manning, vulnerable consumers can be defined as "children, the elderly, the uneducated, the structurally poor, the physically handicapped, ethnic and racial minorities and those with language problem" (Andreasen and Manning, 1990, p.13). Influencers may be deceptive and misleading, therefore causing harm to vulnerable minorities. The introduction of computer-generated imagery (CGI) influencers has amplified this concern as young generations are building relationships with virtual characters which do not have human attributes (Michaelsen, F. & Collini, L. et al. 2022).

2.5 Influencer Marketing

The term 'influencer' has developed over the last years. With the increase in digital technology, influencer marketing has been made more accessible and simpler with social media platforms. Influencer marketing can be defined as a form of marketing with involves a direct relationship between the influencer and the brand to promote or market a product, usually carried out on social media platforms (Mathew, 2018). This form of marketing has proven to be very effective for brands as influencers are perceived as a trustworthy and reliable figure to society. The industry is estimated to reach an impressive value of 143 billion dollars by 2030 (Kuzminov, 2023).

Moreover, there is an ethical debate whether it is acceptable that influencers are misleading consumers by giving non-genuine opinions of products due to financial incentives to increase sales. Influencers must be authentic in order to create content which is high-quality and relatable. There is a social responsibility involved with influencer marketing. The United States Federal Trade Commission (FTC) and Advertising Standards Authority (ASA) have produced laws and regulations on the need to be authentic as an influencer, it is extremely difficult to measure the validity of this judgement (Kuzminov, 2023).

2.6 Ethical Marketing Strategies

In order to ensure ethical marketing practices are ethical, businesses must adopt strategies thar create an honest relationship with their audience, foster trust and build a positive brand reputation. To achieve this, methods include adopting transparency, privacy protection tools, targeted marketing, customer empowerment, compliance with laws and regulations, education, and training, and accountability and monitoring. Furthermore, privacy is associated with data ethics and the safe storage of personal data can reduce the risk of data leaks. However, the immense scale of Big Data available can cause third parties to share data outside the organisation, therefore resulting in legal penalties (Shamsuzzoha and Raappana, 2021, p.8). Furthermore, the *personalisation-privacy paradox* emphasises the need for businesses to adhere to privacy regulations whilst also providing consumers with personalised content. However, this medium can be difficult to achieve (Awad and Krishnan, 2006, p.13). Age range is a depending factor which may influence data ethics as a younger audience may not value privacy as highly as an older demographic (Shamsuzzoha and Raappana, 2021, p.7). Although, this is subjective.

However, it is important to bear in mind that the definition of the term 'ethical' may differ across businesses and people may have several different perspectives. Participants had different views on what actions are deemed 'ethical' and this has influenced the research and data collection as opinions were contrasting. Moreover, this should not be seen as an opportunity to dismiss business ethics due to the complexity of the definition. The subjectivity of business ethics can be seen as an excuse to dismiss unethical or poor business practices. Stark states that modern business ethics should focus on moderation, pragmatism, and minimalism (Stark, 1993). By applying these principles, business ethics can be more practical, and managers will have a clear understanding of the motive of ethical business. Additionally, ethics in business can create consequences for many stakeholders involved, which makes decision making more difficult and complex.

2.7 Chapter Summary

To summarise, this chapter has critically analysed the following digital marketing concepts: psychographic profiling, personalisation, influencing consumer behaviour and influencer marketing and highlighted ethical debates in relation to existing literature. Frameworks and paradoxes such as the personalisation-privacy paradox, self-congruity theory, Goffman's staging theory and Goffman's impression management have been mentioned in relation to the ethical debates mentioned. The following chapter will explain in detail how these ethical issues can be investigated by understanding common viewpoints on the issues using qualitative research methods: - semi-structured interviews and focus groups.

3.0 Research Methodology

This chapter analyses in depth the qualitative data collection methods carried out; semistructured interviews and focus groups. Linking this to the ethical considerations mentioned earlier and the upcoming business recommendations.

As a researcher, I take on an interpretative standpoint towards research, focusing strongly on understanding subjective experiences, rather than simply observing facts. I believe observing society through human experiences is the most valuable method to understanding sociological data. Complex themes such as business ethics require deep discussions enabled in qualitative research methods. Therefore, with this belief, I will be using qualitative research methods (interviews and focus groups) to collect personal insights and experiences.

This research follows a qualitative research methodology consisting of both interviews and focus groups. Qualitative research is an interpretative method as it aims to focus on the social aspects of the nature of the topic. Taking into consideration experiences, feelings and perspectives to explain individual and group behaviours. Unlike quantitative data, which relies heavily on numerical and statistical analysis, and does not allow the consideration of diversity

and complexity of human experiences. My aim was to carry out 4-5 interviews (30-40 minutes each) and 2-3 focus groups (60-80 minutes each). My focus group guide was based on the outcomes of my interview process. Firstly, a pilot test was carried out to determine which questions are suitable to ask and adapt them if necessary.

3.1 Participant Selection and Ethical Considerations

I have chosen to not follow EDI (Equality, Diversity and Inclusion) principles as there may be a risk causing discomfort regarding the ethical implications of digital marketing practices. For example, questions relating to the use of social media and purchasing power may be inappropriate for the low-income community and may cause distress. Furthermore, age is an important requirement to participate in this study and any participants who are under the age of eighteen will not be eligible to take part due to a risk of vulnerability and the requirement for parental approval (Appendix 1).

In order to receive accurate and concise information it is vital to record all interviews and focus group discussions. Written transcripts of each conversation were created and stored safely. To ensure ethical data collection, participants were informed that their voice will be recorded beforehand, and a written consent form was required to continue with the interviews and focus groups (Appendix 5). Once the transcripts were devised, they were kept for the purpose of completing this project. After the project is submitted, all transcripts and recordings will be safely and securely disposed of.

3.2 Research Process

A qualitative research method was chosen with an inclusion of both interviews and focus groups as this would provide the most personal and in-depth material which is the type of data required to discuss business ethics. Qualitative research methods can offer several benefits such as in-depth and contextual understanding, flexibility and adaptability of questions, hypotheses and theory building, authentic participant voice and empowerment (Bazen et al., 2021, p.243). Most importantly, qualitative research can ask questions to understand human experience that statistics are unable to do, providing rich and deep data.

The benefits of semi-structured interviews include the ability to have open ended discussions and the fact there is no requirement to follow a rigid structure. On the other hand, some benefits of focus groups include that they provide a diverse inclusive range of opinions and allow participants to guide the conversation and by choosing to talk about areas they feel are related to the themes brought up by the interviewer.

The timeframe of the research process was over two months; this means that, the amount of data is somewhat restricted, however the aims of the research have been successfully met and in total 7 interviews and 3 focus groups have been carried out. (Appendix 6).

3.3 Semi – Structured Interviews

I have chosen to carry out a semi-structured interview as this form of interviewing allows my participants to openly engage in several themes and provide their opinions. This form of interviewing allows the interviewer to explore themes further and prompt discussions based on the participants interests and responses. In contrast to a structured interview, the questions created are divided into several relevant themes: social media, profiling, influencers and data privacy (Appendix 2). In order to ensure that my participants felt comfortable providing me their opinions, open ended questions have been included where there is no definite 'yes' or 'no' response and allows participants to provide longer answers. Furthermore, this form of questioning allows my participants to talk openly and engage with sensitive issues as there is not rigorous form of questioning and the participant can lead the direction of the interview to some extent. Advantages of semi-structured interviews are that they allow for two-way communication and provide me with reasons as to why my participants feel a certain way.

However, it is vital to consider the ethical implications of this qualitative research method. One disadvantage of semi-structured interviews is that there may be a risk of bias and temptation to ask leading questions for the interviewer. Furthermore, participants may provide answers that they think the researcher wants and therefore this can lead to social desirability bias. This risk was mitigated by explaining to participants that there was no judgement or requirement for specific answers. Social desirability bias occurs when participants provide answers that they believe are desirable to the researcher rather than being truthful therefore resulting in unreliable metrics (Chung and Monroe, 2003, p.1). Reasons for this type of behaviour include personal shame leading to Goffman's impression management where people purposely act a certain way to influence others' perceptions of themselves, privacy concerns with providing personal data, feeling uncomfortable disclosing their honest thoughts, social stigma and having the urge to fit in with societal expectations (Picone, 2015, p.1). This can lead to non-genuine responses which will affect the authenticity of the research.

Although, if the questions selected remain neutral, unbiased, and non-threatening then this will likely make the participant feel more at ease with their responses. Additionally, questions must be non-invasive and framed appropriately to make participants feel comfortable. Confidentiality must be guaranteed at the beginning of the interview to increase the chance of participants providing honest answers and ensuring ethical requirements. The above guidelines were followed during the research period and therefore there is little risk of social desirability bias, impression management and unethical practice.

In order to collect the responses of the participants, all dialogue will be recorded and stored in a private space where there is no risk of a breach of confidentiality. Furthermore, to ensure that participants feel comfortable and trust the interview process they will be required to sign an ethics form prior to the interview to secure their approval. Moreover, reasons for the research will be explained in depth as some participants may be unaware of the theme of my research.

3.4 Pilot Study

A feasibility pilot study was carried out to test the quality and practicality of the research methodology, specifically the semi-structured interview which can affect the outcome of the second study (focus groups). Feasibility pilot studies aim to assess and test the practicalities of the main study in relation to time and other factors that may influence the outcome (Malmqvist et al., 2019). In this case, it was used to test whether the interview questions are suitable or if they require alteration. After the pilot study was completed, it was made clear that there were some necessary amendments which were made to adapt the questions and is further explained in the following section. The questions and answers to the pilot study will be included in the appendix for reference (Appendix 3).

Pilot studies are extremely beneficial as they can increase research quality, reliability, and validity (Malmqvist et al., 2019). However, they are often overlooked in research literature and there are very few guidelines and advice on how to carry out suitable pilot studies. The pilot study interview guide consists of 25 questions and 4 distinct sections; social media, profiling, influencers and data privacy. The first section (social media) will focus on the participants' experience of social media in general and their thoughts on certain social media platforms. The second section (profiling) will focus on personalised content and advertisements that participants have encountered and the ethical implications of this. The third section (influencers) will highlight the experience participants have had with influencers including whether they follow any. Finally, the final section (data privacy) will question the ethical implications of personalisation and data protection including how participants feel about disclosing their data online.

3.5 Amendments

The semi-structured interview guide was adapted since the pilot study and first few interviews due to logistical factors. This increased the accuracy and reliability of data. Additional questions have been added to the guide, for example, "Do you purchase items from social media *platforms?*". This question has been added to adhere to ethical guidelines and to avoid making participants feel uncomfortable expressing opinions about affordability and their consumption habits. Furthermore, questions were included which ask participants to share their own experiences and provide specific examples such as "Is there one influencer you look up to and why?" will help participants to feel comfortable giving their opinions on different themes. Questions related to the future direction of marketing strategies were added to establish participants' views on this area, as it became relevant to the questions raised in this project, for example, "What do you think businesses could do to protect consumers data in the future?". Furthermore, closed questions such as "Would you rather not be profiled?" have been omitted from the interview structure as very few participants elaborated on their comments but simply stated 'yes' or 'no'. Lastly, if a participant seemed to be following a positive or negative trend, questions were phrased differently to encourage honesty, respect individual differences, and increase engagement and validity.

3.6 Focus Groups

In addition to semi-structured interviews, focus groups were organised where the discussion was based on the outcome of the interviews. With the prevalence of personal computers and digital devices online focus groups have become a popular research method. Online focus groups allow participants from different geographical locations to contribute, thus increasing diversity (Richard et al., 2020, p.32). Another advantage of online focus groups is that they allow participants to bounce ideas from one another therefore generating an in-depth discussion with a diverse variety of opinions and ideas. A focus group structure has been created (Appendix 4), with each group planned to last approximately last 60 minutes and consisting of

a group between 3-7 participants from different backgrounds to ensure diversity. In order to conduct an effective focus group, it is vital to keep the participants motivated and engaged with the discussion. According to Frankland et al, engagement strategies include using visual aids and stimuli to trigger emotions, memories and opinions to provide a deeper discussion (2001). Furthermore, encouraging a group dynamic of participation allowing every participant to contribute their ideas in a safe and welcoming environment which improves the quality of data collected. Additionally, it is important to use a wide range of discussion techniques and activities such as brainstorming, role-plays and scenario-based discussions. Using a diverse range of techniques will help to keep participants stimulated and interested in the conversation.

3.7 Data Analysis

A thematic inductive analysis will be used to understand and map relevant data and themes also known as 'codes' in qualitative methodology. Codes can be descriptive or conceptual and can be used to generate themes and identify patterns and create meaningful interpretations of the data collected.

3.8 Limitations

When carrying out a research project is it necessary to analyse the possible limitations which may occur. For example, there may be limited generalizability, the insights gathered from semistructured interviews may be context specific and therefore not representative of the broader population. Furthermore, the group dynamics outlined earlier such as peer pressure and social desirability bias may detriment authenticity.

Moreover, there was a heavy reliance on participants' recall and perception creating memory loss and inaccurate key details which will create non-genuine results. Furthermore, time is an important factor which can influence the amount and variety of data collected. If more time had been given for the project, more varied and insightful data could have been collected.

3.9 Chapter Summary

The qualitative data collection will seek to address the purpose and objectives of the project: 1. To assess the ethical milestones and evaluate the ethical trade-offs of profiling and influencers, 2. Discover methods to manage the ethical trade-offs through interviews and focus groups, 3. Provide suitable future recommendations for marketing practices on how to tackle ethical implications. A step-by-step process is provided below for each data collection method, (semi-structured interviews and focus groups). It should also be mentioned that participant characteristics, ethical considerations and validity of data collection are critically analysed in depth. Furthermore, time pressure has been an influencing factor in the range and diversity of data collection if more time had been available this may have influenced the results. The following chapter will discuss the key findings of the results in relation to existing literature.

4.0 Results

The following chapter evaluates the outcome of the data collection and will highlight reoccurring themes to provide a thematic analysis. Firstly, a description of findings for each data collection method will be made with reference to the transcripts created. In order to present the data in an organised manner a thematic analysis will be created which will align with the aims and objectives of the project.

Secondly, a discussion of the findings will be made in relation to literature mentioned in the early stages of the project. Similarities and differences will be pointed out along with an investigation into the extent of these theories' ability to explain the research findings.

Thirdly, managerial implications will be highlighted, focusing on factors that may have influenced the data collection, for example, sample size, and potential biases.

Finally, recommendations for future research will be made, providing suggestions for alternative areas for further research. Recommendations will be made based on limitations and

gaps in the research. A conclusion will then be made based on these key findings, and their relevance to the literature and their significance in the field of digital marketing.

4.1 Findings

In order to provide an accurate description of the findings, a thematic analysis will be made. The first stage of thematic analysis involves coding the qualitative data by revisiting the interview and focus group transcripts to find reoccurring themes. The second stage of the thematic analysis involves creating and dividing the themes. The third stage involves naming and defining the themes making sure to include illustrative examples and quotes from the transcripts to support the findings.

Study 1: Ethics, ethical trade-offs, and future recommendations

In order to create a thematic analysis, transcripts of the interviews have been created and familiarisation of the results has been made. The first stage of thematic analysis is data coding - whereby important information such as phrases that resonate with the aims and objectives of the project are selected from the transcripts. The questions were altered after the first interviews in order to adhere to the ethical guidelines - participants were asked if they purchase goods online often in order to be sensitive towards levels of consumption.

Ethics: The majority of participants felt that psychographic profiling and influencer marketing were not carried out in an ethical manner. Participants felt that they were incapable of comprehending these digital marketing techniques and their use of consumer data. This suggests that the lack of knowledge in this field created a sense of vulnerability, generating an overall feeling of lack of control and power.

"...as much as social media sites try to protect their users and ensure anonymity. They can't because at the end of the day, we all answer to some form of government, and the government can say, right, spin it however they want." (Participant 1)

"...I'm aware of that as a concept [in reference to psychographic profiling], but I don't know to what extent." (Participant 3)

The majority of participants felt that they were uncomfortable with the extent to which their personal data was used in both profiling and influencer marketing and did not believe that businesses were being open or transparent with their audience. Participants also felt that influencers were rarely genuine online and their online profile was altered to match business goals.

"I've recently tried to unfollow loads of influencers who I don't think that are genuine or authentic just to try and like, make Instagram a more enjoyable experience." (Participant 3)

Interestingly, participants expressed comfort with companies using their data and did not have ethical issues with this practice. The reasons behind this feeling were due to the nature of the internet and the environment which society deals with today. Many participants felt that they would experience a fear of missing out (FOMO) if they did not have social media accounts and therefore accept the risk of unethical consumer data usage. Suggesting that consumers have learnt to accept that they do not have full control over their data and should expect that ethical implications could occur in the future. Furthermore, these participants believed that the content they receive is more suited to their interests because of profiling and therefore feel comfortable with the digital marketing practices of profiling and influencer marketing.

However, this could be due to the participants not fully comprehending the risks associated with tailored advertisements and the ethical implications of businesses using consumer data for alternative reasons which are not made transparent to consumers, for example, businesses selling consumer data to third parties.

Participant 1 held a more negative view of profiling and influencers and did not mention many benefits of these marketing strategies for consumers. However, this could be due to the participant not being very active on social media and having little engagement with social media influencers. Furthermore, this participant mentioned that they do not post or provide any personal details of themselves online and therefore would not experience profiling on a regular basis.

Managing ethical trade-offs: Participants were questioned on possible methods to manage the ethical trade-offs of psychographic profiling and influencer marketing and the reoccurring themes were that businesses need to be more transparent and explain how and why consumer data will be used, terms and conditions must be altered and be made easily understandable, especially for vulnerable groups. Many participants felt that terms and conditions were daunting, time consuming, and not easy to understand and purposely written in this form to discourage consumers from further reading.

"I guess I just like to see more transparency so that before I sign up to anything it's explained to me in a comprehensive way, maybe even a video or something that explained the Terms and Conditions." (Participant 3)

On the other hand, the large number of terms and conditions makes it difficult to summarise briefly and therefore could be argued that reading contracts are usually perceived as daunting and tedious.

However, some participants held a more negative view and felt that there was very little that could be done to prevent ethical issues surrounding consumer data and profiling. They felt that businesses have a higher level of power than consumers and that this was a natural component of modern society. Therefore, as mentioned earlier, this further strengthens the view that consumers think businesses are fully accountable for consumer data and should be obliged to educate consumers on how and why their data is being used for marketing purposes. In terms of social media influencers, participants felt that they needed to be more honest that they are promoting products and clearly state if a social media post is a paid promotion or a genuine recommendation. Furthermore, participants have felt that influencers could be more vulnerable with their audience and admit when there may have been challenges or mistakes made.

Future recommendations: Upon reflection on the participants' views, marketing practices should alter their terms and conditions, for example, using simple language that is easily comprehensible, highlighting important points making them clear, structuring the terms and conditions using headings, providing real life scenarios, creating a frequently asked questions (FAQ) section and including hyperlinks to definitions of complex terms. This would avoid misleading customers and allow companies to adhere to ethical standards.

"I think they say everything Terms and Conditions sort of thing, but yeah, it could be more clear. I guess it's not as obvious they're not going to say by the way, we are selling your data. And then you oh, gosh, okay. I better not, I guess. I don't know. I guess they could be more obvious with it and make it more comprehensible." (Participant 6)

Furthermore, in regards to social media influencers, participants felt that they should be honest and open with their audience. For example, avoid editing posts, state if an advertisement is sponsored or a paid promotion, be vulnerable to their audience, and seek authenticity rather than perfectionism. If these steps are followed, then influencers will resonate with their audience in an honest and genuine manner.

However, there are difficulties when measuring authenticity and genuineness. For example, social desirability bias as mentioned earlier, suggests that influencers' behaviours may change in order to gain attention in a non-genuine manner. There may also be hidden profit motivations

by the influencer which are not obvious to consumers suggesting that influencers may not be presenting themselves in the most authentic light.

Therefore, it is important to note that certain marketing practices must be used with caution due to the nature of defining certain terms such as genuineness and ethics. These terms may differ according to individual perspectives. In reality people have very different views, and the question is how can businesses act ethical for everyone when one action will be ethical to one person is very unethical to someone else.

Study 2: Social media, profiling, influencers and data privacy

Study 2 investigates on the outcome of the focus groups, which were based on the results of Study 1. In total, 3 focus groups were organised with an average of 4 participants per group. The topics mentioned in the focus groups were social media, profiling, influencers and data privacy.

Social Media

Participants stated that they use social media to gain knowledge about products and services, however one ethical issue with this was the reliability of the sources of the information shared. One view that was prevalent in Focus Group 2 was the idea that social media reflects real-life situations. In the same way that people may not act authentic face-to-face in real life situations and that the dilemma of authenticity is prevalent both in the physical and online environment.

"Yeah, I think social media is just an extension of the real world, right? For example, I think there's situations where people in real life are not even 100% authentic". (Participant 10, FG2)

Participant 14 stated that they used social media because they pursue a career in digital marketing and like to keep up to date with the latest trends.

"The reason why I have it is because I'm very interested in social media. And I pursued my career in digital marketing. I was bound to go towards social media marketing. So naturally, I was curious about social media". (Participant 14, FG3)

Furthermore, Participant 15 stated that they use social media in order to keep in contact with friends and keep up to date with events.

"I feel like every single one has a different reason. Like the main point would probably be keeping in touch with like my friends and looking at what's going on." (Participant 15, FG3)

This suggests that some participants solely use social media purely for keeping in contact with friends and family rather than following influencers or purchasing goods.

Profiling

Focus Group 1 agreed that receiving personalised advertisements made them feel uncomfortable in some situations.

Participant 8: "Yeah, it's so annoying. I think it is good that really good at targeting the right suggestions at sponsors, but I also think at the same way it's pushing people away from social media because they find it creepy...". (Participant 8, FG1)

Participants in Focus Group 2 felt that profiling was unethical from a consumers' point of view.

Participant 12: "I don't feel it is ethical when I consider myself in the position of a consumer. However, I am thinking as a marketer, your end goal is to market the product at the maximum. It doesn't matter how or what it should be. Still enough, it should be something that shouldn't harm the other person and in the process it is not really harming the person, but as a consumer. I feel it is invading my privacy. A lot". (Participant 12, FG2) Interestingly, participant 12 was a marketing student and therefore their views may be hypocritical as ethics for consumers should be the same as ethics for businesses. Whilst the end goal of marketing in business is to make profit, consumer ethics still needs to be considered.

Focus Group 3 agreed that they do not purchase items from personalised advertisements on social media due to a lack of perceived reliability of the suggestion and trust in the items being advertised.

Participant 14: "I'd like to look at it from you know, from my own research, like they have prices, including their commission in it or something like that. And maybe they have, you know, fabricated reviews and stuff. So, I would just go to Google and make sure that what I'm seeing is right". (Participant 14, FG3)

However, Google reviews are not necessarily accurate as they use personalised advertisements and place certain websites higher in the search page ranking due to the use of paid search advertising in comparison to organic search advertising which ranks websites naturally.

Furthermore, focus group 3 felt uncomfortable with targeted advertisements and many felt that their phone was recording their conversations and using this information for personalised advertisements.

Participant 15: "To like a scary amount to be honest [in relation to being tracked on digital devices]. Sometimes I would say something on my phone, I'll be having a conversation. I think it was actually like I was having a conversation with you guys at class and it came up on my feed like a couple of days ago. That was really weird". (Participant 15, FG3)

However, participants 14 and 15 felt that they would prefer to see personalised advertisements rather than irrelevant content,

"I think it makes me feel comfortable because I would rather have ads that relate to me or maybe might help me then as like irrelevant to me". (Participant 14, FG3)

"I think I think it depends on the brand sometimes. Normally, yeah, I'd prefer like approaches that are professing something I'm interested in, rather than just seeing like random stuff". (Participant 15, FG3)

This suggests that these participants value personalised advertisements and feel that they are useful by attracting consumers attention as they include topics that they are interested in.

Influencers

One interesting remark made by Focus Group 1 was the negative effects on mental health that following influencers can have. For example:

"I think there are a lot of negatives. I think, just with the influencer industry itself. I think it comes with lots of depression, loads of people compare themselves and almost feel bad for not meeting that standard. And then just as an influencer, like if I was one, the comments you see are ridiculous like, about your personality, about the way you look, like things you can't even control? [...] Like it has completely changed marketing as a whole like that. Like it's opened up a new avenue. So that's good, but I just think it is quite damaging to like, the way people see themselves". (Participant 8, FG1)

Furthermore, Participant 9 mentioned that there was a lack of authenticity with online influencers: -

"Like no matter how hard you try I feel like you're not really like portraying yourself. And then especially with like all like ads and like not it's not really clear whether you can always trust reviews and even if it's you know, they say that it's paid promotion. They always say that they love it so much". (Participant 9, FG1) Additionally, Focus Group 1 agreed that aesthetics played a large role in the success of influencer marketing and that influencers to some extents were superficial. For example, Participant 8: "*I think it really does depend on your loads to be honest. I think the initial attraction comes from like, if you're a good-looking person...*". (Participant 8, FG1)

One view that came up in the topic of influencers was the idea that businesses generally want to make profits and using influencers is one method of achieving this, although they may not be promoting their authentic self-online.

Participant 13: "Ohh it's hard because like when we live in an exploitative system...It's really hard to put responsibility on to like anyone, cause obviously like you know, the brands want to make money and like they obviously employ people who need to live and make money such as influencer". (Participant 13. FG2)

One of the ethical issues that arose was the challenges associated with authenticity and how this is reflected online.

Participant 14 - "It's really difficult to like, say, exactly whether they're genuine or not. I think it's easy to kind of get in an illusion of your thinking or the person when actually you're not actually sure if that's how they will live their life. I always like to think I know I think it's always safe to just say like, you don't". (Participant 14, FG3)

Interestingly, participant 15 felt that the less following an influencer has, the more genuine and authentic they may seem. *"The small micro influencers I feel are more genuine and authentic. So, I would rather take advice and recommendations from them."*. (Participant 15, FG3)

Data Privacy

Participant 9 stated that businesses could be more transparent and honest about data usage to consumers in the future – "...*being more transparent and then summarising how they are using your data clearly*...". (Participant 9, FG1)

One view that was shared amongst Focus Group 2 was regarding the lack of knowledge and education that consumers have in relation to their data privacy settings and reticence over how businesses are using personal data in digital marketing strategies. For example,

Participant 11: "I think there is a lot of times I am literally not aware how my data is being used by the tech giants. I mean, how do you? I get all these calls for insurance and all these things, some where your data is being leaked to these companies, you start filling up a form and automatically the form gets an auto filled option. Why? Because your data is saved somewhere in the site in the phone... The more we are going towards digitalization, I think we are compromising on that privacy aspect". (Participant 11, FG2)

Furthermore, participants felt that terms and conditions could have been changed in order for consumers to understand and be aware of how businesses may be using their data. For example,

Participant 12: "Yeah, I think if they put it in and then yeah, easier to read it format, maybe people would read it because it's just so long like no one has the time and like, really wants to go. But yeah, I feel like people just, like, are trusting everything a lot less in general. Um, consumers are being are more aware that their data is used in ways that they don't like". (Participant 12, FG2)

4.2 Findings Summary

Based on this research, it is concluded that the overwhelming sentiment regarding businesses' use of profiling and influencers is negative, with the prevailing view being that businesses are indeed acting unethically. This led to suggestions being made by participants on how to improve this perception, including greater transparency and education. This points towards useful practical suggestions for digital marketing managers. However, given the inherent time and sample-size limitations of the study, the results need to be validated further. This will partly be done by assessing the results in relation to key theories, in the next section.

4.3 Discussion

This chapter will explain the themes in relation to frameworks identified from the research collected – personalisation-privacy paradox, authenticity paradox, Goffman's staging theory and data privacy awareness.

Personalisation-privacy paradox

One of the themes identified was the ethical issues surrounding personalisation and data privacy on social media platforms. Many participants felt that personalised advertisements were mostly beneficial as they provided users with relevant and interesting content. However, the ethical trade-off was the extent to which businesses use personal data to create personalised content and how this affects consumer privacy. Furthermore, the level of personalisation was a key factor of how consumers may feel and if content is heavily personalised this may feel too invasive, and consumers may find this uncomfortable. Therefore, businesses must find an equilibrium where consumers can appreciate profiling and personalisation without feeling there is a breach of privacy.

Additionally, consumers today are more vigilant when providing personal data due to the increase in data breaches and cyberattacks. This has led to a decrease in trust and many participants do not feel comfortable sharing data after the increase in scandals and data leaks.

Therefore, in order to rekindle the relationship between consumers and businesses, more efforts must be made by businesses to inform consumers regarding the usage of personal data, and how consumers can alter their privacy settings.

This can affect consumer buying behaviour as the less data consumers are willing to provide, the less personalised content they will receive which will lead to a fall in attention to marketing campaigns and consumption of goods and services online. However, these measures would increase the ethical standards of digital marketing techniques. This framework confirms that participants do not feel that profiling is ethical and that there are managerial measures that can be taken into account to reduce the feeling of invasiveness.

Authenticity paradox

A reoccurring theme was that many participants look up to influencers who share similar interests and values to themselves. Many participants viewed influencers as a source of knowledge and inspiration. The larger the following an influencer has, the more monetary opportunities will arise and this can cause influencers to lose authenticity as they focus on financial gains.

However, the authenticity paradox may also occur. This can lead influencers to act or behave in manners that may not be genuine. With the increase of digital marketing and social media platforms, consumers value brands who are authentic, honest and open as mentioned in the previous chapter. However, the nature of the internet means it is easier to be deceptive when presenting oneself online and many participants felt that influencers with large followings were displaying their profile and image to suit business needs rather than for authentic purposes.

Participants mentioned that methods to tackle these ethical issues include influencers showing a more vulnerable part of their personality online, admitting to mistakes openly and being clear when a post is sponsored by a business.

This will affect consumer buying behaviour as the less authentic an influencer may seem, the less consumers will want to accept recommendations from influencer marketing techniques
and therefore will reduce consumption of products, negatively impacting businesses' bottom lines'.

Furthermore, this theory explains the feelings of superstition and uncertainty that participants felt with influencers presenting themselves online authentically. The less authentic an influencer may seem the less interaction consumers will have online with a profile. If influencers follow the recommendations above, consumers can build a more positive and ethical relationship with influencers.

Goffman's staging theory

Furthermore, Goffman's staging theory may be used to illustrate the phenomenon of influencers engaging in front stage behaviour and not acting authentically. The United States Federal Trade Commission (FTC) and Advertising Standards Authority (ASA) have produced laws for ethical influencer marketing stating that influencers must be authentic online and that self-presentation and curation can make authenticity difficult to measure. Influencers form their online identity through carefully selected and staged actions which may not be authentic, however, may attract the attention of their followers and therefore increase profits.

Therefore, influencers must be sure to present an authentic profile online, ways to increase authenticity include being transparent and open with their audience and admitting to their mistakes that may have occurred.

Data privacy awareness

Another prevalent theme was the lack of awareness consumers have regarding the uses of their data online and ways to control their digital footprint. Subsequently, vulnerable groups of society are at a higher risk of privacy breaches as they be misinformed. Consumers with lower cognitive and digital literacy skills will be more susceptible to privacy breaches. Most

participants felt that businesses held a large responsibility to be open with consumers and even educate them on how their data is being used online for marketing purposes.

However, one participant (P7) felt that businesses should not be obliged and do not need to act as an 'educator' to consumers regarding data privacy awareness. This participant held a strong view that businesses have an end goal of making profits regardless of the ethical implications involved. Consequently, consumers should not expect ethical practices from businesses necessarily and should educate themselves on the risks and implications involved with providing personal data.

Furthermore, reiterating the issues with business ethics and the subjectivity of which practices are 'ethical' can cause complications with defining business ethics.

The less transparent businesses are with consumers, the less consumers will interact with the business and feel comfortable disclosing personal data. Ways in which businesses can improve their brand image include altering the terms and conditions, being more transparent and open online and allowing consumers to change their privacy settings. Consumer buying behaviour will increase if consumers feel a sense of trust and honesty with a business.

4.4 Chapter Summary

This chapter has applied the frameworks discussed in the literature review to the data collected. Theories analysed included the personalisation-privacy paradox, the authenticity paradox and Goffman's staging theory. Given its prevalence in the focus groups and interviews, a discussion of data privacy awareness was also included. By gaining an up-to-date understanding of consumers' feelings on digital marketing techniques, it is possible to come to an assessment of the state-of-the-art within the industry. Applying this current research to well-respected but older theories, their relevance to modern consumers' attitudes has been evaluated. As these theories were successful in explaining the views of modern consumers, this suggests that the ethical issues brought about by digital marketing techniques are not new, but extensions of preexisting debates. This is a positive conclusion to have been reached as the rich body of previous literature can be applicable to these seemingly novel concerns. Furthermore, each theory's interpretation of the data gathered has implications for consumer behaviour which has been discussed.

The aims of the project have also been considered when analysing the results: -

1. To assess the ethical milestones and evaluate the ethical trade-offs of profiling and influencers.

2. To examine ways of managing the ethical trade-offs through interviews and focus groups.

3. Provide suitable future recommendations for marketing practices on how to tackle ethical implications.

5.0 Conclusion

In conclusion, the aim of this project was to explore and analyse:

Ethics and digital marketing: Assessing the state-of-the-art of psychographic profiling and influencing consumer behaviour through social influencers.

Through a comprehensive literature review and rigorous data analysis, this project has explored various aspects of digital marketing strategies focusing on psychographic profiling and influencer marketing. The project has also explored how these strategies can affect consumer behaviour considering the ethical implications involved. In this concluding chapter, the key findings will be summarised, managerial implications will be discussed and suggestions of avenues for future research will be provided.

5.1 Summary of Results

This section will briefly recapitulate the major findings of the study and seek to identify the main patterns, trends, and correlations that emerged from the thematic data analysis. The research has highlighted the ethical concerns that consumers experience when encountering digital marketing techniques. The research has also drawn attention to the anxiety that many participants had regarding online data privacy and the risk of data leaks. Participants also felt that terms and conditions needed to be adapted to be more comprehensible to an average consumer.

5.2 Managerial Implications

The findings of this research have implications for managers working in the digital marketing field. By understanding the ethical implications associated with psychographic profiling and influencer marketing, it is possible to suggest methods for future advancements in principled digital marketing strategies. The research noted the desire for businesses to maintain an honest and open relationship with consumers, for education on data privacy awareness and for influencers to act authentically online to retain the trust of their viewers. These results offer practical insights for digital marketing businesses who are looking to improve their relationship with consumers or to adopt new strategies to increase ethical standards.

5.3 Limitations

While the findings of this business project contribute valuable insights, it is important to acknowledge the limitations of both types of study. For example, sample size has impacted the effectiveness of the results and more interviews or focus groups would add further depth and clarity to the findings. Furthermore, time was an important factor - if more time had been given then more results could have been collected and examined. Recognising these limitations helps to frame the findings in a more nuanced and accurate context.

5.4 Suggestions for future research

Upon analysing the research conducted for this project, several potential avenues for future investigation have emerged. Researchers could explore further digital marketing techniques in the same manner, including the ethical implications associated with them in order to further expand the knowledge base. Moreover, incorporating different methodologies such as asking participants to keep a digital diary for an extended period of time and to report their feelings on the research topics, could provide a more comprehensive understanding of business ethics within digital marketing.

5.5 Conclusion Statement

Ultimately, this business project has made contributions to the understanding of ethical tradeoffs in digital marketing strategies, specifically psychographic profiling and influencer marketing. Through a rigorous thematic analysis, key insights for the field of business ethics have been identified. By addressing the research question, knowledge in this domain has been advanced and new possibilities for future exploration have been opened up.

In conclusion, the findings presented here will hopefully inspire future research and spark meaningful discussions within the academic and professional communities. A deeper comprehension of business ethics within digital marketing will foster positive changes in consumer behaviour, leading to a brighter and more informed future.

Appendices

Appendix 1: Ethical Approval Form

Appendix E:

ROYAL HOLLOWAY, UNIVERSITY OF LONDON

SIMPLIFIED ETHICAL APPROVAL FORM

For staff and student Individual Business Projects and research projects involving data collection from research participants (observations, interviews, questionnaires, group discussions, recordings, video etc).

This form should be discussed and completed jointly by both student and supervisor (and in the case of staff, with their immediate line manager) with each keeping a signed copy of the form.

If the proposed work involves human participants, and is judged by the supervisor/line manager potentially to give rise to ethical problems, ethical approval must be sought in advance. The supervisor will recommend whether the completed/signed form and any supporting material should be considered only by the Department's internal approval procedures or be referred to the College Ethics Committee.

<u>To be completed by the applicant</u> 1. Will the study be <i>covert</i> in any way?	(delete as appropriate)	
1. Will the study be <i>covert</i> in any way?	NO	
Will resulting data be used for purposes outside this study?	NO	
Are you working with a vulnerable population?	NO	
4. Is it possible that your study will cause distress or harm to participants?	NO	

If the answer to any of the above questions is 'YES' please supply relevant supporting materials and explanations.

The working title of my Individual Business Project/project is:

Assessing ethical implications of digital marketing, the current state of the art – psychographic profiling and social influencers.

To be completed by the supervisor (students) or line manager (staff)

Issues of ethics, copyright and data protection have been considered where necessary as indicated in the attached material and appropriate measures have been recommended. All necessary materials have been seen and the Ethics Committee's *Notes for Guidance* have been consulted.

Please tick once box only:			
1. No referral necessary	[.	х]
2. Form to be referred to departmental ethical approval procedures]]
3. An application must be made to College Ethics Committee]]

(For 2. and 3. please append supporting documents as required e.g. research project proposal (questionnaires, consent forms).

Line Manager/Supervisor Name (print below):	Signature	Date:
Alex Reppel	ALEX REPPEL	14. June 2023

Appendix 2: Pilot Study Interview Transcript and Guide

Semi-Structured Interview Guide

Interview Plan

- Duration: 30-40 minutes
- Interviewees: People who are aware or follow influencers/social media platforms
- Collect data: Demographic data such as age, gender and occupation
- Pilot Test: To help improve and adapt the questions asked

Interview Schedule

Hello, my name is Isabella Vranic, I am a MSc Digital Marketing student at Royal Holloway, University of London. I am currently working on a dissertation involving the ethical implications of digital marketing strategies, focusing on profiling and influencers. I am very interested in how profiling and influencers impacts the consumer behaviour and the ethical implications involved. You may withdraw from this study or audio recording at any time, be assured that your information will be completely confidential and anonymous. Thank you for your time and participation.

Introduction

Firstly, I would like you to briefly introduce yourself i.e. : age, occupation etc.

Familiarity with social media

- 1. Do you have social media accounts, if so which ones?
- 2. How often do you use them?
- 3. What are your feelings about social media platforms?
- 4. Does the content you see relate to your interests?

Familiarity with profiling

- 1. Do you feel you receive personalised or targeted advertisements?
- 2. How do you feel about receiving content that is suited to your needs and wants?
- 3. Do you find it uncomfortable?
- 4. Are you aware that your data is being used on social media platforms for advertising?
- 5. Tell me your thoughts on the ethical implications of this?

Familiarity with influencers

- 1. Do you follow any influencers, if so why?
- 2. What do you think of influencers?
- 3. Do you think influencers are genuine/authentic?
- 4. Have you ever purchased an item recommended by an influencer?
- 5. Do you think influencers have a negative influence?
- 6. Has your decision making been affected by an influencer?
- 7. Are there any benefits following influencers?
- 8. How do you think influencers affect the future of marketing on social media?

Familiarity with data privacy

- 1. Are you aware your data is being used on social media sites?
- 2. Do advertisements affect your decision making?
- 3. Would you say you have control over the content you see?
- 4. Do you benefit from targeted advertisements?
- 5. Would you rather not be profiled?
- 6. Do you think businesses provide enough information regarding data privacy?
- 7. How do you manage keeping your data private?
- 8. What do you think of the future of marketing in terms of personalised advertisements?

Interview closure

Thank you for your time and cooperation. Again, I'd like to reassure you that all of your answers to this interview will be kept confidential.

Appendix 3: Pilot Study Transcript

Pilot Study

A pilot study was carried out to test the practicability and feasibility of the interview questions above. The pilot study will indicate whether the timing, resources and credibility of the interview is appropriate. This will then allow me to make alterations if necessary. The candidate chosen for the pilot study was a 24-year-old working professional with experience using social media.

I = interviewer

X = participant

Pilot Study Transcript

I: Hello, my name is Isabella Vranic, I am a MSc Digital Marketing student at Royal Holloway, University of London. I am currently working on a dissertation involving the ethical implications of digital marketing strategies, focusing on profiling and influencers. I am very interested in how profiling and influencers impacts the consumer behaviour and the ethical implications involved. You may withdraw from this study or audio recording at any time, be assured that your information will be completely confidential and anonymous. Thank you for your time and participation.

Firstly, I would like you to briefly introduce yourself i.e. : age, occupation etc.

X: *My* name is *X*, *I* am 24 years old and *I* am an accountant.

Familiarity with social media:

I: Ok. Hello X. Do you have social media accounts and if so, which ones?

X: *Er I use, yes I use Facebook and Reddit the most.*

I: Ok, how often would you say you use them?

X: *Probably everyday*.

I: What are your feelings about social media platforms in general?

X: *Um, I think they provide a personalised distraction which is nice when you have a few minutes to kill, but if you go on them longer than that they end up feeling more unfulfilling.*

I: Does the content you see relate in any way to your interests?

X: Yes, I think that the best thing about social media is does give you content that is actually linked to things you are interested in even when they are diverse, and you don't know you're interests yourself as they sometimes know it.

Familiarity with profiling:

I: Do you feel you receive personalised or targeted advertisements?

X: Yeah, definitely. The ads are sometimes more personalised that the content.

I: And how do you feel about receiving content suited towards your needs and wants? Do you like it or?

X: I don't think I mind, because to me it just means that my ads are better and they recommend things that I am actually interested in. I have nothing to hide so I do not mind the fact that people know what I like.

I: Do you find it uncomfortable?

X: *No, not normally.*

I: Are you aware that your data is being used on social media platforms for advertising?

X: *I* know that, but *I* do not know to what extent they use it.

I: Ok, so tell me your thoughts on the ethical implications of this.

X: I think that there could be ethical implications about people using things, on my data that they don't really own, making profit off it. There are ethical problems if they data gets given to people who might use it for the wrong reasons like um governments who do not have our best interests at heart.

Familiarity with influencers:

I: Ok, thank you. Do you follow any influencers, and if so, why?

X: I follow people that could be called influencers, but I don't follow them because they are influencers. I follow people who I think are interesting and have interesting opinions and they often become influencers because lots of other people think the same way. For instance, Joe Rogan or fitness channels who I think are interesting and informative but probably are influencers as well.

I: What do you think of influencers in general?

X: I don't think anyone should be an influencer I do not like that I think people just should be honest and create good content and good brands and it should not be anyone's job to purely influence other people.

I: Do you think that influencers are most of the time genuine and authentic?

X: I don't and by definition, an influencer is someone who is meant to influence you to do something, they can't be authentic

I: Have you ever purchased an item recommended by an influencer?

X: Not directly, but maybe I've bought things partly because of something in the back of my mind that an influencer has said

I: Do you think influencers have a negative influence?

X: Yes, I don't think people should be influencing us to buy certain products for their own gain, we should be giving honest opinions about things we like and we don't.

I: Are there any benefits following influencers?

X: The only benefits following influencers come from the aspect of their content that is not influencing you, if they have opinions on certain things or are educated about something.

I: Do you think your decision making has been affected by an influencer?

X: *I'm sure it has but I wouldn't consciously know*

I: How do you think influencers affect the future of marketing on social media?

X: I think the content that comes from personalised then, um the number of influencers are going to grow because there can be a different influencer for every segment of the market will become smaller as technology advanced. Influencers who are more specifically aligned with your own interests are only going to become more prevalent as technology can match them to people who have the same interests. I think they are only going to grow as time goes on.

Familiarity with data privacy

I: Are you aware your data is being used on social media sites?

X: Yes

I: Do advertisements affect your decision making?

X: Adverts probably subliminally affect what I buy although I make a point of never buying something because I've seen adverts about it.

I: Would you say you have control over the content you see?

X: Um, that is complicated because I think if I didn't try and control the content that I see, then it is purely dictated by my interests, but of course I think I would be able to gain the algorithm if I wanted and make it show it certain things by pretending to like things I don't like. In that sense I can control it. I also think to an extent you can use the settings on social media to see certain things, but of course they have the final say in all of this.

I: Do you benefit from targeted advertisements?

X: Yeah, I think I do

I: Would you rather not be profiled?

X: I am happy for technology to know me well, but I think profiling has got bad connotations and suggests that they are not being open and honest or they will use the data for the wrong reasons. I don't want to be profiled in that way.

I: Do you think businesses provide enough information regarding data privacy?

X: No, I don't think they do.

I: How do you manage keeping your data private?

X: I think that I'm not gullible when it comes to scams and giving out personal data, but I don't think that I am very careful what I would put online. Generally, I am a private person so do not think hard about which data is private as I do not broadcast my data in the first place.

I: What do you think of the future of marketing in terms of personalised advertisements?

X: *I* think it is only going to become more personalised, as technology will be able to get to know every individual better, but I think that will be a good thing for consumers.

I: *Ok is there anything else you would like to add?*

X: No

I: Thank you for your time and cooperation. Again, I'd like to reassure you that all of your answers to this interview will be kept confidential.

Appendix 4: Focus Group Structure Guide

Introduction and Icebreaker (10 minutes)

- Welcome participants and introduce myself as the researcher.
- Explain the purpose of the focus group and the research question.
- Conduct a brief icebreaker activity to help participants get to know each other and feel comfortable sharing their opinions.

Background Discussion (15 minutes)

- Provide a brief overview of digital marketing, psychographic profiling, and social influencers.
- Discuss the importance of ethics in marketing and its impact on consumer behaviour.
- Encourage participants to share their general thoughts and experiences with digital marketing and social influencers.

Psychographic Profiling (20 minutes)

- Define and explain psychographic profiling in digital marketing.
- Present examples of psychographic profiling techniques and how they are used to influence consumer behaviour.
- Ask participants for their opinions on psychographic profiling, such as whether they find it ethical, intrusive, or effective.
- Probe for any personal experiences or concerns related to psychographic profiling.

Social Influencers (20 minutes)

- Define and explain the concept of social influencers and their role in digital marketing.
- Show examples of how social influencers are used to promote products or services.

- Discuss the potential ethical concerns surrounding influencer marketing, such as transparency, authenticity, and manipulation.
- Encourage participants to share their views on social influencers, including any personal experiences or interactions.

Ethical Implications (25 minutes)

- Lead a discussion on the ethical implications of psychographic profiling and influencer marketing.
- Explore participants' perspectives on the benefits and drawbacks of these practices from an ethical standpoint.
- Discuss the impact of psychographic profiling and influencer marketing on consumer autonomy, privacy, and informed decision-making.
- Encourage participants to share any concerns, suggestions, or alternative approaches they may have.

Closing Remarks (10 minutes)

- Summarise the key points discussed during the focus group.
- Ask participants if there are any additional thoughts or questions they would like to share.
- Thank the participants for their time and valuable input.
- Inform them about any follow-up steps or ways they can stay involved in the research, if they are interested.

Appendix 5: Participant Consent Form Example

Each participant interviewed individually or in a focus group has completed the participant consent form. Full consent forms available upon request.

The name and signature of the participant has been hidden in order to remain anonymous and confidential.

GENERIC PARTICIPANT CONSENT FORM
Project title: Assessing ethical implications of digital marketing, the current state of the art – psychographic profiling and social influencers.
Researcher's name:
Supervisor's name:
 I understand the purpose of the research project and my involvement in it.
 I understand that I may withdraw from the research project at any stage. and that
this will not affect my status now or in the future.
 I understand that while information gained during the study may be published, I will
not be identified and my personal results will remain confidential.
 I understand that I will be audiotaped / videotaped during the interview.
• I understand that I may contact the researcher or supervisor if I require further
information about the research.
Signed (Research participant)
Print name Date Date
Contact details:
Researcher: {
Supervisor: {

Appendix 6: Participant Selection & Demographics

Full transcripts of the interviews and focus groups are available upon request.

Semi – Structured Interviews

Participant	Date	Gender	Age Range
1	12/06/2023	Male	20-25
2	23/06/2023	Female	20-25
3	24/06/2023	Female	20-25
4	01/07/2023	Male	20-25
5	04/07/2023	Female	20-25
6	10/07/2023	Female	20-25
7	27/07/2023	Male	20-25

Focus Groups

Participants	Focus Group	Date	Gender	Age Range
8, 9	1	05/07/2023	Female	20-25
10, 11, 12,13	2	05/07/2023	Female	20-25
14, 15	3	20/07/2023	Female	20-25

Appendix 7: Visual Presentation of Business Project



RQ: "What are the ethical implications of digital marketing practices, focusing on profiling and social media influencers and how can this influence consumer buying behaviour?".

Objectives:

1. To assess the ethical milestones and evaluate the ethical tradeoffs of profiling and influencers.

2. To examine ways of managing the ethical trade-offs through interviews and focus groups.

 Provide suitable future recommendations for marketing practices on how to tackle these ethical implications.

🛂 Methodology

Semi-structured interviews allow openended discussions, enabling participants to elaborate on themes like social media, profiling, influencers, and data privacy.

Online focus groups are used due to their popularity and accessibility with digital platforms. They enable diverse participants from various locations to engage simultaneously, fostering in-depth discussions and idea exchange.





Introduction

This study explores the shift in marketing practices due to consumer data's importance for businesses. It traces the transition from traditional to digital marketing, driven by technologies like artificial intelligence, profiling, personalisation, and influencers. The connection between Al-based profiling and ethical concerns emerges, especially since the rise of data breaches.





- Personalisation-privacy paradox
- · Self congruity theory
- Goffman's staging theory
- Goffman's impression management
- Psychographic profiling
- Influencing consumer behaviour
- Influencer marketing
- · Ethical marketing strategies



Findings and Discussion

Key Themes

- Data privacy awareness
- Authenticity of influencers
- Transparency of businesses regarding personal data
- usage

 I ack of education regarding data protection
- Amendments of terms and conditions

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