

Do consumers trust it?

- *Exploring consumers trust in
artificial intelligence
personalization*



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Abstract

Background: Artificial intelligence (AI) personalization approaches can increasingly be seen used in society today from businesses using it to analyze the behavior of their consumers to consumers using it to find for example jobs that match their persona. AI personalization delivers unique messages to an individual based on their previous data to improve the consumer experience. Previous research has not focused from the perspective of the consumer in combination with their trust towards AI personalization. Since AI personalization could be beneficial for society at large, stakeholders, policymakers, companies and the consumers, the understanding of consumers' perspectives are now more important than ever.

Purpose: The purpose of this study is to explore consumers' trust towards AI personalization.

Methodology: Since this bachelor thesis aims to fill a gap in the literature on providing insight on consumers' trust towards AI personalization, a qualitative research approach was used where seven semi-structured interviews were performed. Thus, gaining a deep insight of the subject in question which allowed for flexibility in the data collection. An interview guide was prepared and used to help guide the interviews to stay on topic. The sample method was made with purposive sampling to ensure previous experience and therefore the possibility to answer the questions asked.

Findings: This bachelor thesis identified three main findings in regards to consumers' trust towards AI personalization to be *influence of trust, mistrust and skepticism*.

Conclusion: Concluding the thesis, three aspects of consumers' trust towards AI personalization was found having somewhat of a connection with each other implying that consumers base their trust, mistrust or skepticism differently.

Keywords: *Artificial Intelligence, personalization, Artificial Intelligence personalization, consumer trust, integrity, ethics, acceptance, marketing.*

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1.0 Introduction

This section aims to set the scene of the research by defining the context, problem and purpose of the research that will be conducted.

1.1 Background

Over the past couple of years, digital marketing has evolved tremendously with the help of introduction to various technologies (Rahaman, 2023). One of the new technologies as of right now is the integration of artificial intelligence in digital marketing. Artificial Intelligence, also known as AI, is a field of computer science that at the same time takes psychology, philosophy, linguistics and other areas into consideration making it possible for computers to do different tasks that would otherwise require human intelligence (Van Duin and Bakhshim, 2017). One of the advantages of using AI in digital marketing is the aspect of personalized marketing (Rahaman, 2023). Personalized marketing through AI allows companies to analyze the behavior of their consumers and create personalized campaigns to each consumer that serve their unique preferences and needs. By having a personalized approach through AI, it can significantly increase the effectiveness of the campaigns and boost more sales (Rahaman, 2023). In recent years, personalization has become an important tool for effective marketing (Unemyr and Wass, 2018). Personalization aims to deliver truly unique messages that are adjusted and optimized for each individual using prediction algorithms (Unemyr and Wass, 2018). It is not just about recommending content, products, or offers; it's also about creating consumer experiences that build engagement and drive retention.

The consumer in this case is someone that has the potential to buy or buys either a product or a service with an interaction of AI. Nowadays, consumers all over the world are constantly adapting to new technologies to help them shop, live and work differently, often with the intention of having a more affordable everyday life (Rogers, 2023). Consumers can now find

themselves dependent on new tools, even though they might not have realized it. Furthermore, consumers for example rely on new technologies to make life easier and save money and time. With the development of new technology, such as AI, companies are in near constant contact with consumers which allows for a lot of opportunities to build consumer trust. However, companies have equally as many opportunities to get it wrong and lose consumer trust (Rogers, 2023). However, while personalization through AI can improve and maintain consumer trust, it is also important to take data privacy and security into consideration (Morey et.al., 2015). Trust in technology and AI is highly important for consumers in order to make them accept the usage of this new technology. If a company is transparent about how they collect and use consumer data, consumers can have more control over personal information and what is being shared online (Morey et.al., 2015).

1.2 Problem Discussion

Artificial intelligence (AI) might be easy for individuals to have the belief that it has nothing to do with them and just something for big tech giants (Marr, 2019). However, AI is encountered by most people from morning until night, which has an impact on their everyday lives (Marr, 2019). The use of AI in marketing has many advantages, most often from the perspective of companies that include the ability to tailor recommendations and experiences to consumers based on their preferences and behaviors (IBM Cognitive, 2015). However, there are significant challenges and concerns associated with AI personalization. Due to the development of Artificial intelligence, concerns have been raised regarding data privacy. Since it relies on personal data such as names, addresses, financial information and security number, the collection, processing and the storage of personal data needs to be handled correctly (ET Online, 2023). Therefore companies and society at large need to know how to handle personal integrity and how to inform the consumers about how they handle and use their personal data. With the aim of this research, policy makers, stakeholders, companies and society at large can gather understanding and knowledge in how to be transparent and protect consumer data to be able to build trust from the consumers.

Even with the increase in use of AI personalization and the understanding of it, there is still little knowledge and previous research about consumers trust towards AI personalization from the perspective of the consumers. AI and AI-based technology research is still contributing to new research frequently when it comes to technology adoption (Kronemann et al., 2023). Hence, there is a research gap and due to lack of research in understanding consumer behavior towards AI. In addition it is important to understand the consumers' perception of AI since they play a significant role in the adoption of new technology (Kronemann et al., 2023). For example, the findings made by Lim and Zhang (2022) explained how news users' actually adapt to new digital platforms where the digitized platform is powered by AI where it presents the most relevant and interesting news stories with the interests of the news audiences. This is to explain the engagement and attitudes of the consumers towards AI-driven personalization, however lacking the findings of trust from the consumers' perspectives. In addition, investigation of privacy control of data-driven marketing shows that consumers have increased their vulnerability due to real-time personalization (Cloarec, 2022). Hence, the research does not touch upon the consumer trust towards this new technology which needs to be accounted for future understanding. It is important to make research from the perspective of the consumer, since it is the consumers that are the ones that are exposed to AI personalization.

However, since there is a gap in the literature and more focus, as of right now, the research is directed towards the benefits directly to different businesses or understanding for the management. Consumers today expect personalized communication and experiences, and research has shown that the majority of consumers are open to AI-based personalization efforts (Treasure data, 2022). Although researchers must focus on consumer trust towards AI personalization in order to fully realize the benefits and what the society at large, stakeholders, policymakers and companies need to take into account when applying this new technology to the consumers. Therefore, it is of interest to conduct exploratory research of consumers' trust towards AI personalization to fill in the gap in the missing research.

1.3 Purpose

The purpose of this study is to explore consumers' trust towards AI personalization.

1.4 Research Question

How integrity, ethics and acceptance influence the consumers trust towards AI personalization?

2.0 Theoretical Framework

This chapter provides the reader with an in-depth information of the theory to define what the remainder of the research will be based upon. The chapter consists of trust in AI context, AI personalization and trust in AI personalization with a conceptual model, which in chapter 6.0 have been revised.

2.1 Trust in AI Context

2.1.1 Influences of Trust in AI

According to the study by Yang and Wibowo (2022), trusting new technologies, such as AI, comes in different stages. The trust in AI for the user starts from the beliefs of the technology that has shown consistent performance and that it is predictable. For the trust to be ensured in the long-run, it gets built from how trustworthy and reliable the AI-service is. As a final stage of trust for AI, the user has faith in the technology in combination with relying on the technology in the future (Yang and Wibowo, 2022). This goes along with Bedué and Fritzsche (2021) that explains that standards, policies and social norms must be taken into consideration as well as a wider context. Consumers are concerned about others' opinions such as family and peers which will then affect their trust and decision making (Mostafa and Kasamani, 2022; Kaabachi et.al., 2019). Lastly, trust in AI is also influenced by user-related factors that depend on prior experiences and familiarity with technologies, personalities and existing perceptions related to AI (Yang and Wibowo, 2022). When trust is built from these facets, it is possible to facilitate positive, cognitive, effective and behavioral changes among the users (Yang and Wibowo, 2022).

2.1.2 Acceptance of AI

According to the study made by Ameen et.al. (2021), there are sacrifices consumers might face in services that are AI-enabled. These sacrifices could be lack of human interaction, loss of privacy, loss of control, time consumption and a possibility to have negative feelings of irritation that could further lead to a negative attitude towards AI-enabled services (Ameen et.al., 2021). However, Prakash et.al. (2023) highlights the importance of that there are some predictors that are highly important in regards to predicting trust in the case of artificial intelligence. According to their study, the most important predictor of trust is the ease of use. Consumers are more likely to trust new technology, such as artificial intelligence, when there is no difficulty in learning how to use these technologies (Mostafa and Kasamani, 2022; Sarkar et.al., 2020). After that comes the perceived usefulness, social presence and the propensity to be able to trust technology (Prakash et.al., 2023). Based on the findings of Bedué and Fritzsche (2021), to reach a higher level of trust from the perspective of the consumers it is important to improve the understanding of AI. This can be done by explaining algorithmic decisions and allow for the consumers to gain a deeper understanding of AI (Bedué and Fritzsche, 2021).

2.1.3 Integrity and AI

According to Bedué and Fritzsche (2021), the issues with AI that have been shown through their study is transparency. Transparency holds a great importance in all technology, but it has been shown that it is even more important in AI. This is since it has a direct impact on the trust of AI. In the same study made by Bedué and Fritzsche (2021), it is clearly shown that to receive trust in the context of AI it is not enough to assure integrity of data and applications. Furthermore, the study made by Prakash et.al. (2023) adds to the understanding by making the conclusion that the trust and perception of artificial intelligence relies on the conversational cues and social attributes. By shaping these good individual perceptions, it will allow for it to turn to a trusting belief (Prakash et.al., 2023).

When looking at previous research, the perceived risk of the consumer's privacy tends to be higher when talking to a human compared to an AI-service (Song et.al., 2022). This is since consumers have a perception that humans are motivated by subjective interest to disclose their privacy. However, this is not the case for everyone. Some consumers are in a need for more human interactions than others. When a consumer is more used to computer agents, they might be more aware of how computer agents can store their data generated, leading to a higher chance of trust and a lower perceived risk (Song et.al., 2022). Therefore, it is important that the consumers are being made aware that they are interacting with a secure information system. At the same time, it should not be a concern that it is either an AI-service or a human, all service agents should respect the privacy concern of the consumer (Song et.al., 2022).

2.2 AI Personalization

In the realm of AI personalization, the seamless delivery of personalized experiences to consumers is a game-changer (Fan et al., 2022). However, when consumers are made aware of AI's involvement in the personalization process, it can provide them with a high level of recommendation. By utilizing technology-driven services and natural language, AI can offer consumers' faster (Brill et al., 2019) and more accurate information (Baabdullah et al., 2022).

Consumer personalization has been recognized as a powerful tool for enhancing the overall consumer experience and provides personalized content based on consumer data (Pappas et al., 2017). Lambillotte et al. (2022), argues that personalized content can provide a more subjective and playful consumer experience as opposed to generic content or content that is perceived as non-personalized which gives a more congruent experience. Moreover, personalized content has shown to increase the likelihood of consumers spending more time on a website and ultimately choosing their favorite product for purchase. This is because new

technology can help find comparisons and make a decision out of AI and consumer data (Klaus and Zaichkowsky, 2020). With the help of advanced technology, companies can leverage consumer personalization to create a more personalized experience, both in the terms of perceived and actual personalization (Lambillotte et al. 2022). According to Li (2016), the message of perceived and actual personalization can have different outcomes. This can for instance occur when a message is generated through a personalization process but is misinterpreted as non-personalized message or so called, generic information, or vice versa. Consumer personalization can also be viewed differently depending on how the content is framed, communicated through different channels or presented at different times (Li, 2016). For instance, a personalized message delivered through a social media channel may have a different impact than the same message delivered through email. Therefore, companies need to consider the context and channel of delivery when designing their consumer personalization strategy (Li, 2016).

2.3 Trust in AI Personalization

Sacrifices have an impact on the consumer experience when it comes to AI-enabled services and personalization (Ameen et.al., 2021). It has been shown that consumer's optimism has a positive impact on adoption of AI-enabled services and consumers with positive opinions about the benefits of AI-enabled services are more likely to embrace the technological innovations and can increase their quality of life (Flavián et al., 2021). Moreover, human-like attributes in AI, such as intelligence and usefulness, should be taken into consideration, as they can play a significant role in mediating consumer intentions to use AI-enabled services (Klaus and Zaichkowsky, 2020). By taking the consumers' perspective into consideration, companies can provide better AI-enabled services that meet the needs and preferences of their consumers (Kushwaha et.al., 2021). Xu et al. (2020) states that in order to maximize the benefits of AI, it is important to consider how to improve efficiency, effectiveness, and

consumer preferences and these considerations may vary depending on the company and the consumer's perception of it.

To enhance the overall service experience consumer trust is a crucial key (Ameen et al., 2021). The consumer trust is further explained by Nagy and Hadjú (2021), which highlights that if this trust is not met, it will instead result in less online traffic and trust has a central role in the acceptance of AI. It is highly important that the AI-enabled service is perceived as trustworthy and secure and the sacrifices that the consumers intend to make feels less problematic if the service is personalized in form of user interface, content and interaction process (Ameen et.al., 2021). Therefore, consumer trust is a crucial factor to take into account when introducing AI-enabled services and AI personalization since it is a central role in the consumer experience (Ameen et.al., 2021). Furthermore, the tailor-made offerings, the personalization, is also a necessity to provide for the consumer (Nagy and Hadjú, 2021). The creation of a personalized consumer journey is now more important than ever and by doing it through artificial intelligence is a very effective way to apply it (Nagy and Hadjú, 2021). This also affects the convenience and service quality for the consumer and it is important for the company to be transparent and be clear about how they analyze consumer data in order to give consumer support (Ameen et al., 2021).

2.3.1 Ethics

The increasing amount of available data and automated agents are technological advances that are strongly increasing, but along with the progress ethical questions have been raised to the surface (Klockmann et.al., 2022). Having ethics being a part of AI and personalization is not something that should be seen as a problem or obstruction, rather it should be seen as something that will increase room for action, autonomy and responsibility. A lot of previous research has focused on the creation of ethical machines, however people's response to machines seems to be less concerned with moral behaviors when interacting with technology (Giroux et.al., 2022). Even though some companies use AI inappropriately, consumers have also questioned the lack of human interactions that can lead to questionable moral actions.

The understanding that machines act like social agents was found that even though individuals apply social principles to the machines, the same level of social and moral norms are not as strong as an interaction between humans (Giroux et.al, 2022). It was shown in the study made by Giroux et.al. (2022) that when consumers perceive AI as more human, it will result in stronger moral intentions to report errors.

2.4 Conceptual Model

This model represents the influences that integrity, ethics and acceptance have on trust towards AI personalization.

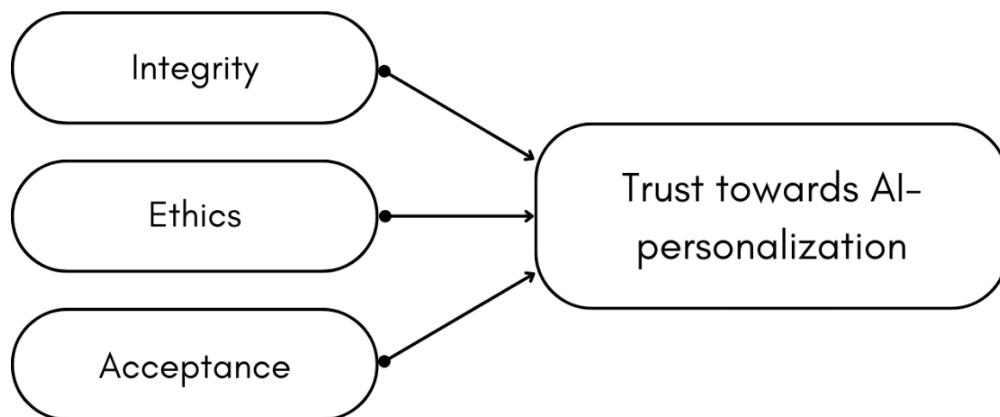


Figure 1: *Conceptual Model [own]*

3.0 Methodology

This section will explain and justify why each methodological decision was made in order to strengthen the reliability and validity of the research. In order to understand consumers' trust towards AI personalization, a semi-structured interview method will be utilized.

3.1 Research Approach

This research paper has the aim to investigate the phenomena of consumer trust towards AI personalization. Given the limited amount of existing research, an exploratory study is most suitable for the aiming research and an inductive approach is deemed to be most appropriate. The researchers of this paper want to bring new insights to the area of consumer trust to AI personalization by identifying the themes and patterns in order to create a conceptual framework. When it comes to the inductive approach, it is particularly effective when there is a lack of theory to test which is the case in this research. Moreover, the approach allows to get a deeper understanding in the head of the consumers and bring insights from research and then be generalized to a larger group of consumers (Bell et al., 2019). Furthermore, the goal is understanding the social world through an examination of the interpretation of that world by its participants (Bell et.al., 2019). By using an inductive approach, the researchers can get a deeper understanding of consumers' behavior and it allows the researchers to draw insights from empirical research and data, rather than relying on pre-existing theories (Hackett, 2016). By generating untested conclusions and generalizing from the specific to the general, the researchers can contribute to the development of a conceptual framework in the area of consumer trust towards AI personalization.

Aligned with the purpose, the research design is a framework for the researchers in order to generate empirical data and lastly answer the research question and fulfill the purpose of the paper (Bell et al., 2019). The most suitable design for this research is believed to be the case study design which aims to give an in-depth understanding of a complex issue in real life

(Bell et al., 2019). Since case studies are useful when investigating complex issues of phenomena that are difficult to capture, it is believed to be aligned with the purpose of the paper. Consumers' trust towards AI personalization can be seen as a complex issue that involves several factors, including perceived risks, benefits and ethical considerations associated with AI technology and personalization. Therefore, case study design is believed to be a suitable approach for investigating the phenomena in its natural setting.

3.2 Qualitative Research

The qualitative research method emphasizes words rather than numbers when gathering data for the empirical chapter (Bell et.al., 2019). It is usually based on the inductive approach where the researchers are constructionists and interpretive. The researchers aim to have an epistemological view which means to understand the social world through an examination of the interpretation of that world by its participants. With the help of qualitative research, it is possible to emerge a theory when there is a lack of existing research by having inductive reasoning (Bell et.al., 2019). The research on consumer trust towards AI personalization is not something that has yet to be covered. AI has now taken a firm grip of society, meanwhile there is not a lot of research done on what consumers think about it. Therefore, the researchers established that a lot of deeper information and explanation was something that needed to be used in order to contribute to the understanding of AI and personalization.

Furthermore, qualitative research is based on collecting data to be able to come up with a new explanation, a better definition of a phenomenon, a new concept or an interesting typology. Out of observations the researchers are able to generalize and conduct a grounded theory (Bell et.al., 2019). According to Hackett (2016), the qualitative research process can be seen as a research cycle where the researcher takes a cyclical approach when finding answers to the research question. To begin with the question, issues or problems need to be decided and also delimits the scope of the research to be made. When the problem is found and a research question stated, the researcher evaluates the background information that needs to be investigated for the study and then uses the most pertinent information that is of

relevance (Hackett, 2016). After reviewing previous research and literature it is possible to gather empirical data in order to put the investigation into context and get a better understanding of consumer behavior and the questions, issues or problems that were investigated. The steps of qualitative research can seem easy to follow, however the process of investigation goes back and forth between the steps that were mentioned (Hackett, 2016).

In quantitative research, there are two main types of interviews which are unstructured interviews and semi-structured interviews (Bell et.al., 2019). There is a focal point of the interviewee's points of view in qualitative interviews where going off at tangents is often encouraged since it allows for a deeper insight and understanding of what the interviewee believes is important and relevant because of the rich and detailed answers that are the end goal. Furthermore, qualitative interviews are therefore more flexible and new follow up questions that rearrange the order of questions and might even the wording of the questions. The responses might also lead to adjustments being made during the interview if there are some types of issues that emerge (Bell et.al., 2019).

3.3 Operationalization Table

| Concepts | Subconcepts | Items | Definition | Reference |
|---------------------|---------------------------|---|--|--|
| Trust in AI context | Influences of trust in AI | Performance and predictableness Others opinions Prior experiences | Facets of potential influenced trust in AI | Yang and Wibowo (2022), Bedué and Fritzsche (2021), Mostafa and Kasamini (2022) and Kaabachi et.al. (2019) |

| | | | | |
|-----------------------------|------------------|---|--|---|
| | Acceptance of AI | Sacrifices Ease of use Understanding | Trust of technology and sacrifices consumers might face in AI-enabled services | Ameen et.al. (2021) Prakash et.al. (2023) Mostafa and Kasamani (2022), Bedué and Fritzsche (2021) and Sarkar et.al. (2020) |
| | Integrity and AI | Transparency | Transparency has a direct impact on consumer trust of AI | Bedué and Fritzsche (2021), Prakash et.al. (2023), and Song et.al. (2022) |
| AI personalization | | Personalized experiences Playful experience Context and channel of delivery | The consumer experience of consumer personalization in an AI context | Fan et al. (2022), Brill et al. (2019) Baabdullah et. al. (2022), Pappas et al. (2017), Lambillotte et. al. (2022), Klaus and Zaichkowsky (2020) and Li (2016) |
| Trust in AI personalization | | Human like interactions | Different aspects that could have | Ameen et. al. (2021), |

| | | | | |
|--|--------|---|--|--|
| | | Privacy concerns Loss of control | an affect on trust in AI personalization | Flavián et. al. (2021), Klaus and Zaichkowsky (2020), Kushwaha, Kumar and Kar (2021), Xu et.al. (2020) and Nagy and Hadjú (2021) |
| | Ethics | Moral behavior | People's response to machines seems to be less concerned with moral behaviors when interacting with technology | Klockmann, Schenk and Villeval (2022) and Giroux et.al. (2022) |

Table 1: *Operationalization table*

3.4 Semi-structured Interviews

A semi-structured interview is one of two main types of interview in qualitative methods (Bell et.al., 2019). A semi-structured interview has an interview guide that contains a list of questions that are fairly specific so it could be covered by the researchers. Nonetheless, the interviewee still has the freedom in how to reply. This made it possible for the researchers to ask 'how' and 'what' questions in order to get a deeper understanding of what the participants mean in regards to their trust towards AI personalization. The questions must not follow the order that is in the interview guide and when the researchers pick up on things during the interview, new questions can be added (Bell et.al., 2019). Even though the

interviews might be different in some ways, at large, the questions will be asked in a similar way from interviewee to interviewee. As mentioned previously, this allows for every interview to be flexible which will allow for understanding and deeper insight of things such as events, patterns and behaviors when it comes to trust in AI personalization. Because of the ice-breaker used in the beginning of the interview, the interviewees could openly speak about their thoughts when it comes to trust in AI personalization which gives the researchers a broad insight. The advantages of having a semi-structured interview is for the researchers to gain a genuine understanding, but with a fairly clear focus on specific issues (Bell et.al., 2019).

3.4.1 Interview Guide

The reason for having an interview guide is to have a brief list of questions to prompt the memory of areas that need to be covered during the interview (Bell et.al., 2019). Researchers often offer to provide a copy of the guide to the participants during the interview which could help strengthen the dependability of the research. There are some basic elements that could be used to prepare the guide. Firstly, by creating an order on the topic area that will make the questions flow well is something that should be included, yet it should be possible to alter the order of questions during the actual interview. Secondly, when creating the interview questions, the research question should be kept in mind in order to answer it. Though, the questions should not be too specific. Thirdly, when creating the interview guide it should be kept in mind to use a language that is relevant and comprehensible to the people that are being interviewed. Fourthly, no questions that are leading should be added. Lastly, a facesheet should be recorded so the researchers have the general information (name, age, gender, etc.) When doing this, it will be possible to contextualize people's answers (Bell et.al., 2019).

| Subconcept | Question | Probing questions |
|---------------------------|---|--|
| Influences of trust in AI | <p>Of your awareness, have you ever come across AI-services?</p> <p>What would you say influences your trust in AI?</p> | <p>Does prior experiences with AI influence your trust in some way? How?</p> <p>Do others' opinions in AI influence your trust in any way? How? Why?</p> <p>Does the performance and the predictableness of AI influence your trust? How? Why?</p> |
| Acceptance of AI | <p>Do you accept AI and new technologies?</p> <p>Do you have an understanding of AI?</p> | <p>Do you feel like you would sacrifice something if you would accept AI? What? Why?</p> <p>Is the ease of use something important when accepting AI? Why?</p> <p>Would you need more or less knowledge of AI to accept it? Why?</p> |
| Integrity and AI | Does integrity play an important role for your trust in AI? | Should AI be more transparent? Why? |
| AI personalization | Do you have any experiences with AI personalization? In what context and channel of delivery? | <p>In what way?</p> <p>Have you had an experience in a serious or playful manner? How?</p> |

| | | |
|-----------------------------|--|--|
| | | |
| Trust in AI personalization | <p>Do you trust AI personalization?</p> <p>Do you have any privacy concerns related to AI personalization?</p> | <p>Why?</p> <p>Do you trust it more or less depending on how human-like the interaction is?</p> <p>Do you feel in control?</p> |
| Ethics | Have you ever considered AI personalization and ethics? | For example, the moral behavior of AI? |

Table 2: *Interview guide*

3.5 Sampling

3.5.1 Sampling method

The sampling method chosen for this qualitative research is purposive sampling. This is since the participants of this study must have some kind of previous experience or knowledge of artificial intelligence to be able to answer the researchers questions. Without having any previous knowledge, the researchers cannot ensure that the answers will be applicable.

Purposive sampling is a non-probability form of sampling where the researchers sample participants in a strategic way to ensure that they are relevant to the research question (Bell et.al., 2019). The participants were therefore chosen because of the relevance and their previous use and knowledge of AI. In addition to the purposive sampling, the authors in combination used a convenience sampling approach. A convenience sample is something that

is simply available to the researchers because of its accessibility (Bell et.al., 2019). The authors of this paper used their networks with individuals that they knew had knowledge and prior experience with AI to find their participants. Though, this implies that the results of the study cannot be generalized since the population of the sample is not random, therefore the population of the sample is not representative (Bell et.al., 2019). Even though the results cannot be generalized, it could be a bridge to further research or add on to existing knowledge of the question in matter (Bell et.al., 2019).

3.5.2 Sample selection

The chosen sample for this research consists of three males and four females between the ages of 23-26, who are aware of AI personalization and know that AI personalization is an established phenomena. The authors of the paper chose to select participants in their surroundings that are aware of AI personalization and asked if they wanted to be a part of the authors bachelor thesis and research. This was in order to get as deep understanding and data as possible from a consumers' trust towards AI personalization since the research of this phenomena is fairly underexplored. Further the participants were asked about their age and gender and if their information could be stated in the research paper although their name would remain anonymous. Further, the researchers asked if it was possible to record the interviews to be able to go back to listen to them. All of the participants fulfilled the criterias and therefore could participate in the interviews. According to Guest et al. (2006), interviewees should continue to be held until no new themes arise in order to reach saturation. With this in mind, the authors of the paper conducted six interviews but felt that the information received was recurring themes. Therefore one more participant was selected in order to try to gather new material. After the last interview the authors felt satisfied with the collected data and saturation was reached.

3.5.3 Selected interviewees

| Interviewee | Gender | Age | Interview time |
|-------------|--------|-----|----------------|
| 1. | Male | 23 | 16 minutes |
| 2. | Female | 23 | 26 minutes |
| 3. | Female | 23 | 18 minutes |
| 4. | Female | 24 | 18 minutes |
| 5. | Male | 26 | 22 minutes |
| 6. | Female | 23 | 18 minutes |
| 7. | Male | 23 | 19 minutes |

Table 3: *Information of interviewees and interviews*

3.5.4 Translation of interviews

The interviews were held in Swedish since all of the seven interviewees felt more comfortable with speaking their native language instead of English. According to Bell et.al. (2019), interviews should be conducted in the language that the interviewees feel comfortable with. Therefore all of the participants got to choose whether Swedish or English suited them best. However it is important for the authors to ensure that the meanings of the words remain the same during the translation in order to get the right data from the interviewees. Furthermore, since the participants agreed to be recorded, it allowed for the researchers to go back and ensure that the translations were done in a correct way. Since the authors of the paper can master the English language in a solid way, it was possible to conduct the interview with translation that was later approved by the interviewees. This was to ensure that the translation was accurately captured and what the interviewees intended to say (Bell et.al., 2019).

3.6 Research Quality

3.6.1 Trustworthiness

In the case of business research, reliability and validity are important criterias when establishing in combination with assisting the quality of the research (Bell et.al., 2019). In spite of that, there is a discussion concerning the relevance of reliability and validity in the case of qualitative research. This is shown by the example that a criteria of validity concerns measurements, but since measurement is not a part of qualitative research the criteria of validity would have limited application in studies such as this. Instead, trustworthiness is a criteria for establishing and assessing the quality of a qualitative research. Trustworthiness is made up of four criterias which are *credibility*, *transferability*, *dependability* and *confirmability* (Bell et.al., 2019).

Firstly, the criterion of credibility ensures that the findings of the qualitative research is carried out according to a good practice and that the findings are submitted to the social world that was studied (Bell et.al., 2019). This is to ensure that the researchers have in a correct way understood that social world. This will then lead to an aspect of social reality, the plausibility or credibility to what the researcher arrives at. This often is explained as respondent validation or member validation (Bell. et.al, 2019). To address the criteria of credibility, the researcher of this paper went back to the respondents with their material to let them view it to ensure that the researchers have understood their social world in a correct manner. However, none of the respondents had any feedback and felt happy with the material being presented to them.

Secondly, the criterion of transferability is used in qualitative research (Bell et. al., 2019). Qualitative research often intensively studies a small group of people or people sharing characteristics. Therefore, depth in certain details of a culture allows for rich accounts that are unique to the context. Even though the same study that is made at a different time or will

be applicable in another context have been seen as an empirical issue. Although, the rich description provides others to make judgment of the transferability (Bell et.al., 2019). The context of this study is the understanding and exploration of the phenomenon of AI personalization. By studying a small group of people, all with previous knowledge of AI, allowed for a rich account in order to reach theoretical saturation.

Thirdly, the dependability of qualitative research is a criterion to show that the research is trustworthy (Bell et.al., 2019). Complete records throughout the research process such as problem formulation, selection of research participants, fieldwork notes, viewer transcripts and data analyses should be kept and be accessible. By doing so, it will allow for peers to establish the proper procedures and therefore be able to assess the degree of theoretical inferences to be justified (Bell et.al., 2019). Throughout the process of this research, all of the information gathered, analyzed and so forth have been put in text throughout some of the chapters or appendices of this paper. In addition, the recordings from the interviews and the excel sheet with all of the coding have been saved on the researchers computers in order to establish proper procedures and therefore be able to justify the research.

Lastly, the criterion of confirmability is ensuring that the researchers have acted in good faith. This is shown by personal values or theoretical inclinations not skewing the conduct nor the findings of the research (Bell et.al., 2019). Throughout the thesis, the researchers have been aware of putting personal matters to the side and have had an objective view of the paper, participants and results as a whole.

3.7 Ethical Considerations

To avoid ethical issues, there are ethical principles to ensure that the ethical risks are minimized when conducting a research (Bell et.al., 2019). It is vital for a research to have ethical considerations integrated within the research process and it should be revisited

throughout the study. There are four main areas of recurrent ethical issues that have been found which are *harm to participants, lack of informed consent, invasion of privacy and deception* (Bell et.al., 2019).

Firstly, research that could harm participants is seen by most people as something unacceptable (Bell et.al., 2019). Harm can consist of a number of different reasons such as physical harm, harm to participants' development or self-esteem, stress, harm to participants' career or pushing subjects to perform reprehensible acts. Therefore, the researchers have a responsibility to assess carefully the possibility of harm to the participants and it should be minimized as much as possible. Another way to minimize possible harm to the participants is to maintain confidentiality over the records and the anonymity of accounts to ensure that individuals or organizations are not identifiable (Bell et al., 2019). Before conducting the interviews, the participants were made aware that if there are any questions, emotions or stress which could lead to any harm they could at any time decide to not answer certain questions or stop the interview altogether. The participants were also made aware that they would be anonymous and the researchers of the thesis would be the only ones aware of who they were.

Secondly, having informed consent ensures that the participants of the research are given as much information as possible (Bell et.al., 2019). This is to ensure that the participants can make an informed decision about taking part in the research. Additionally, the observation techniques and the recording equipment that will be used is something that the participants should be aware of as well (Bell et.al., 2019). As mentioned previously, this is something that the researchers made the participants aware of before the interviews were conducted.

Thirdly, the ethical principle relates to the importance of protecting the privacy of the participants of the research (Bell et.al., 2019). Privacy is closely related to informed consent since it allows for the participant to acknowledge the right to privacy by an informed decision. Even if a participant has given the consent to be a part of a research, if it feels in

any way justified, the participants can refuse to answer certain questions. It could be for example because of feeling that it is too private or a sensitive subject which the participant does not answer. Some topics can be judged sensitive to everyone, however, it is important to note that the researchers might not know beforehand which topics might be sensitive to a particular participant. Therefore, it is important that the researchers treat each case or interview sensitively and give the participants an opportunity to withdraw (Bell et.al., 2019).

Lastly, the ethical principle takes into account to let the participants know what the research actually is (Bell et.al., 2019). Deception happens when the researchers present their research as something else than what it is. There are two ethical points of objections to deception. First, it is not a nice thing to do and something that is hardly desirable. Secondly, the image of researchers to be deceiving people would fastly change the course of future prospective research participants, gaining financial support and a negative image would arise. Even though the participants should not have a complete account of what the research is about to have an unbiased participation, the line drawn can be difficult to know (Bell et.al., 2019). Therefore, all of the participants were made aware of what the research was about before the conducted interviews. Since the participants were chosen because of their previous experience with AI, it was something that needed to be brought up as well for the researchers to conduct the study.

3.8 Societal Considerations

The potential impact on societal issues should be taken into consideration when a research is conducted (Bell et.al., 2019). Therefore, in order to investigate consumers' trust in AI personalization, it is important to understand the societal issues that might occur because of the results of this research.

To be able to get personalized services and content through AI, an individual's privacy online needs to be taken seriously and this is applicable to the study as well (Ignatidou and Chatham House, 2019). This is because AI systems collect and analyze an individual's personal data which may be collected without their knowledge or consent which further leads to societal consideration. Therefore it is crucial for policymakers, companies and society to have clear guidelines and regulations to be able to protect the consumer privacy since personal data should be handled with security (AIContentfy team, 2023). Further, an issue that needs to be brought up is algorithmic biases that may occur when personalizing content or services to the consumer. If the algorithms are based on biased data this could further end up in discriminatory outcomes such as unfair access to opportunities or reinforcing stereotypes for the consumer (AIContentfy team, 2023). To prevent this outcome, the AI system should be fair, transparent and accountable for all individuals. It is also important to not limit the freedom of choices. Since personalized algorithms are designed to the consumers' own preferences, meaning that they are only exposed to their existing beliefs and interests, this can affect the critical thinking for the individual and also limit the individuals' perspectives (Ignatidou and Chatham House, 2019). In addition, keeping a balance between personalization and access to a wider range of information can increase the freedom of choice and perspectives.

Moreover, manipulation of individuals should be taken into account when presenting AI personalization. This is because personalized algorithms can optimize consumer engagement and behavior which can cause manipulation (AIContentfy team, 2023). Therefore, ethical guidelines and regulations should be presented from companies and society to be able to protect the individual from manipulation. Since consumers are constantly exposed to personalized content and services online, this can affect an individual's beliefs, preferences and/or behavior which can end up in shaping collective opinions that are influenced by the AI personalization. Therefore it is key to promote well-being from companies, stakeholders, and society at large and understand the consequences of using AI personalization (AIContentfy team, 2023). This research can further contribute to consumers, companies and

society in order to use AI personalization in a responsible way and hence get a deeper understanding of the consequences of using AI personalization inappropriately.

3.9 Data Analyze Method

In order to analyze the empirical data gathered in the study, the authors of the paper decided to use grounded theory. When conducting interviews, and especially in the case of trust where there is a lot of emotions involved with the participants which generated a lot of empirical material. Grounded theory therefore was deemed as a good fit since it is a systematic inductive method where theory can be developed (Lewis-Beck et.al., 2004). Grounded theory provides the guidelines to stimulate different ways of thinking when trying to understand and decide how to handle the data. There are a number of reasons for why the researchers of this study decided to use grounded theory. Firstly, it provides simple yet logical guidelines for qualitative research. Secondly, there are specific strategies for handling the analytic phase. Thirdly, the method streamlines and integrates the data collection and analysis aspect. Lastly, it legitimizes the research as scientific inquiry (Lewis-Beck et.al., 2004).

There are certain tools in grounded theory to help guide researchers through the empirical material in combination with the theory. Coding is one of these tools and a key process (Bell et.al., 2016) and this is also the starting point of the analytic process (Lewis-Beck et.al., 2004). This following research began with open coding where the data collected was broken down into component parts and then given names. These codes are later categorized as it allows for the data collected to be conceptualized (Bell et.al., 2016). The open coding of this research led to 161 open codes which were all written down on post-it notes. After all of the codes were written down on post-it notes, they were all grouped into concepts. Based on the connection of the open codes there were 16 concepts that were found: entertainment, positive, difficulty, scarcity, negative, unaware, beliefs, integrity, irrelevant, personal, privacy, insignificant, usefulness, worry, money, perspective, lack of knowledge and unable.

Of these 16 concepts, three core concepts were discovered: Influence of trust, mistrust and skepticism that have been used in the analysis. After this, to get a tighter grip and a more visual understanding, everything was put into an excel sheet to further create a structure with all of the different codes. As shown, there were a lot of open concepts that needed to be analyzed and by coding this way through grounded theory allowed for the researchers to keep an open mind to fresh ideas and not force the empirical material together (Lewis-Beck et.al., 2004). Furthermore, by using this research method it allowed for new perspectives on the data shown from various different angles.

The table below shows an extraction of the coding schedule and a visualization of how the process has worked. The numbers of the interviewees is clearly shown, the explanation of trust or quotes from the interviewees are further shown in the column next to it, the open codes that were found are shown, the concept and lastly the core categories. The full coding schedule can be found in Appendix 2: Coding Schedule.

| Interviewee | Trust/ quote | Open codes | Concept | Core Categories |
|--------------------|---|-------------------|----------------|------------------------|
| 1,2,3,5,6 & 7 | Most of the respondents explained that they had some form of interaction in a fun way with AI. Such as Chat GPT | Fun | Entertainment | Influence of trust |
| 1, 2, 3, 5, 6 & 7 | Most of the participants expressed that they had an initial positive response to AI personalization. | Positive | Positive | Influence of trust |
| 1, 2, 3, 5, 6 & 7 | It is believed to be scary because of how it works and also what it will become in the future. | Scary | Difficulty | Skeptical |

Table 4: *Extraction of Coding Schedule*

4.0 Empirical Investigation

The following section shows the empirical material that was gathered from the seven interviews done in the study. The empirical material further acted as the basis for forthcoming analysis and conclusion of the research. More detailed account of the interviews can be found in Appendix 1: Interview Transcripts.

4.1 Prior Experience in AI Personalization

All of the respondents of the study had some kind of prior experience with AI, however some have actually been aware of prior experience with AI personalization. The rest of the respondents could guess though that they have received personalized information or content generated from AI. There was one exception that was unsure if he had received AI personalized information or content before. Furthermore, half of the respondents of the study have prior used AI personalization in a serious manner, for example as interviewee four that have gotten job suggestions based on previous searches and current education. In addition, some of the respondents brought up that they have either tried or used Chat GPT, either in a serious manner or just for fun. Meanwhile, the other half have only used AI personalization in an unserious manner with for example interviewee two that explained how her feed is generated on TikTok. The same respondent had been in contact with the new Snapchat AI, but expressed that she tried it out to see how humanlike it was but she realized quite quickly that it was impossible for her to build a relationship with it, leading her to believe that all of AI-enabled services and personalization act in a similar manner. It was expressed by some of the respondents that they believed AI personalization is a positive thing. It can allow for more efficient help for the consumer and in combination with a cost-saving tool for the companies.

Respondents number six and seven have in some ways used AI-enabled services when getting assistance with orders online. Respondent number six used it to help her find the right dress for her when she provided preferences on the type of dress she was looking for, meanwhile respondent number seven used it to receive help after he bought a product online. This participant was clear with his initial thoughts where he explained that it is very efficient compared to asking a human the similar questions leading to a positive process. In a similar way, participant number five explained that it has allowed for him to get quick assistance and it helps avoid the long phone ques. Interview number six shares these initial thoughts, but can at the same time find it quite scary because for example clothing brands have all of her sizes. Participant number six explained her thoughts: “Personalized AI services make it easier to find what you want, and they work very well in simple contexts with guidance. It's a highly effective feature that streamlines the search process”.

4.2 Influences of Trust in AI Context

Participant number seven explained: “...it provides quick answers and it is very efficient compared to if a real human had to respond to these simpler questions. If it can facilitate processes such as shopping, ordering things and so on, I definitely feel like it is increasing my trust”. When the participants were asked what influenced their trust, some of the participants explained that it would be knowledge. Respondent number one explained that if he would receive information on how AI personalization works, how a company uses it and the process as a whole it would help him trust AI personalization more. He felt that there is too much information that he does not know about. This goes along with what respondent number two also expressed. When asking respondent number one whose job it is to educate him about the knowledge, he stated that it was the company that uses the AI enabled services to personalize. He stated “If a company is going to have a service like this (AI personalization), they need to explain why and how it works. Not only stating that this is how it is going to work now”. However, participant number two gave it a second thought in regards to consumers gaining knowledge, there could be issues with consumers receiving that

kind of information as well. She explained this thought by addressing the issue of the constant development of AI and personalization. According to her, whenever the information might be accepted by the consumers and the society, it might not be applicable anymore since there is a constant development. Furthermore, participant number three explained her lack of knowledge when trying to explain what influences her trust in AI personalization. “I believe that it is hard to state what is valued since I do not know too much about how AI personalization actually works and affects consumers just like me”. She further explained that as long as her privacy is being protected, it is enough for her.

When asked about what would influence their trust, some of the participants then naturally expressed their worries about AI. One of the participants explained that she was scared of what it would mean for the future if AI develops too much. From her perspective, this comes from her mother explaining to her as a child that there will be a time where AI is going to outsmart humans. This goes along with another participant that highlighted that he does not want AI to develop too much because he shares this sensation of it being scary of what could happen in the future. The increased use of AI generally during the past six months have also made it quite scary for the respondent since it is used more and more.

One aspect that was brought up by some of the respondents was the idea of money. Respondent number two explained that as long as everything is based on earning money, she believed that personalization is not something that could be trusted. This was also an aspect of respondent number seven that explained that the actor behind the AI personalization matters. He would be more skeptical if there was money involved and would be less likely to trust the AI personalization.

Another aspect that was brought up was the idea of relevant personalization. One of the respondents explained that she has gotten emails about “relevant” jobs that were not relevant for her. Her trust therefore decreased and she felt irritated and that she could not trust the

relevant jobs that were sent her way. Furthermore, one of the respondents added that it is hard to trust things on the internet because you have to be critical with information on the internet.

Respondent number 6 explained when it came to the question about what influences her trust in AI she said that she trusts it, however this is since she rarely uses it. The more personalized the AI-enabled services become, the less she would be able to trust it. As a law student, she is also aware of the cookies online and it is highly important that she reads them and accepts the ones she feels okay with. Furthermore, the personal data that is being collected is an issue for some of the respondents. Respondent number four explained that she has no trust in AI personalization because it will use and process her data even though she is not aware of it. This made her feel unsettled. This goes along with respondent number seven that explained that it is frightening that companies are monitoring consumers' activity which affects his trust in personalized AI services.

However, respondent number five explained that if the personalized AI service is created by someone with a good reputation, it will increase his trust for the service. He further explained that chat GPT was partially developed by Elon Musk and it helped demonstrate the seriousness behind that service.

4.3 Value of Integrity in AI Context

In regards to the value of integrity in a context of AI, there were a lot of different opinions throughout the respondents. Respondent number one explained that he believes it is a bit scary to know that things he does online feels like something or someone is tracking his choices. Even though he felt positive towards AI personalization, this was something that made him careful. This goes along with respondent number five which explained that it is unsettling that AI knows so much about him just for the case about personalization. Both respondent number five and respondent number three valued their integrity really high and it was not something that was important to them, for them it was necessary. Respondent

number three added to the general positive feelings towards AI personalization, however there is a scarcity of the information she is generating online will become business for someone else.

Respondent number three explained why she values the integrity of AI personalization so much and it has to do with what her parents taught her with cybersecurity. This meant for her that if she would possibly be able to trust AI personalization, it needs to allow for privacy. Respondent number six also highlighted the importance of online privacy. She believed that it is very important to be critical of sources online and as she mentioned earlier she always reads through cookies to know what information the website is gathering from her and her privacy. If there is a possibility to only choose the cookies she wants, she will do it.

Meanwhile integrity was really important for some, respondent number two explained that she understood that others might not be as accepting of AI personalization as she is because of their integrity. She does not really value her privacy and she feels like there are no issues of her information being gathered. She however stated that as long as nothing shows up to her address in real person or her location being out there, integrity does not really matter for her. Respondent number one shares the feeling of not being too important either. Just as respondent number two, respondent number one has no issues with integrity and that he does not value privacy too much. He added that he also understands others' issues with their integrity by explaining that since this is still a fairly new service with AI personalization, it is not fully understood and a bit harder to trust yet.

Respondent number five expressed his feelings towards integrity and AI personalization quite strongly. He prefers to be anonymous online, even though he has nothing to hide. This means that he has an unsettling feeling about AI knowing everything about him. He prefers that if a company wants to access some of his personal information, he wants them to ask him. To keep everything at an arm's length, it ensures him that no one that should have his information will get it. This is further expressed by respondent number four that expressed

that AI does not feel reliable. She expressed that she was worried about personal privacy in regards to AI personalization, but not when there is general company information or general knowledge. Adding on, respondent number seven expressed that he does not appreciate receiving personalized content since he does not prefer companies to handle his personal information: “Since they can see all my internet activity and store it, they can give me recommendations on products or services they think would suit me. I find it a bit scary, and it gives the consumer the feeling that they are constantly being observed on the internet”. Even though his integrity is valued highly, he explained that he is also quite careless when it came to reading exactly everything that he needed to accept and it also took a long time. He was afraid that his personal data would be hacked and used for wrong purposes online. Respondent number one goes along with the same idea with the lack of control.

4.4 Considerations of Ethics in AI Context

When it comes to considering the ethics in AI, all interviewees except number four and six have not thought about ethics in an AI context but after a time all of the interviewees came up with perspectives that needed to be taken into account when implementing AI in consumer services. Interviewee four and six said that they have low knowledge in the field of AI and have not thought about the ethical issues or is not something they have dwelled on. Interviewee one said that AI and personalization combined felt wrong and that it felt fake. He expressed that influencers earn money through making AI of themselves and is similar to interviewee seven who was skeptical to AI personalization if only making money was in the picture. All of the interviewees could see the problem with ethics in an AI context and interviewees one and five brought up the problem that consumers act differently around the world and have different beliefs and perspectives. How can a robot answer questions that human beings have spread thoughts about? Interviewee five brought up an example of war conflicts and if AI could argue for right or wrong, the human arguments would disappear and that would be unethical. Interviewee one clarified that AI should not be able to tell if something is right or wrong and that individuals have different beliefs. Interviewee one also

questioned how AI can deliver personalized content if every individual has different emotions and perspectives.

Furthermore, interviewee three, four and six states that AI could lead to increasing unemployment and they felt like it is unethical and problematic to use computers to do all of the work.

Interviewee number five gave an example of how AI can be problematic in the future. He said that humans always have some kind of compassion while AI does not. Interviewee four said that AI cannot understand body language or consumer feelings which can be confusing. Interviewee one stated that it felt unethical due to the fact that AI is a data system and not a real person. He continued by stating whenever AI and personalization is used the same ethical issues might not show up in comparison to having more exchanged in other and bigger things. Furthermore, interviewee one gave an example of consumers getting suggestions on recipes.

Interviewee seven understood that there are ethical problems that can arise since the development of AI is progressing at a fast pace and humans might struggle to keep up with this. Interviewee five agreed and was concerned about the problems that might occur in the future and gave an example of AI hacking itself. Since it lacks morals regarding sensitive and insensitive information, this could become an ethical problem. Further this can make it difficult to hold AI accountable in court compared to a human since it stores information about everything.

4.5 Acceptance of AI Personalization

When it came to acceptance of AI personalization, all of the interviewees accepted it, although at a certain level. Interviewee five and seven stated that one must accept it since it already is implemented. However, it was expressed by interviewee six that for AI

personalization to be more successful, companies have to gather more data than they currently can which could lead to challenges with GDPR regulations. Interviewee one and two strongly stated that they accepted it since they did not really care about their own privacy and therefore believed that is why they accepted it. Hence interviewee one felt like he needed to sacrifice his own privacy in order to be able to use services like these although he does not appreciate AI-generated response from companies. In this case he appreciated the human interactions but depended on the situation. Further interviewees one and two understood that if one cares more about their privacy they are more likely to have a hard time accepting AI personalization. Interviewee five was quite skeptical about this in the beginning although he has started to accept it more over time. He preferred the idea of receiving the simplest information from AI and then taking it further to a real person to be able to not give away too much personal information. Interviewee four did not want AI to use her personal information for personal consumer service at all while interviewee six accepted it as it is now but believed that it might not be the most optimal solution when it comes to consumer privacy, especially if it becomes more developed than it is now. Aligned with this, interviewee seven contributed and said that this field is quite unexplored and new for consumers and companies and therefore the development of AI is faster than humans can think. Therefore he believed that it may not be fully optimized in the right way. Interviewee three is also skeptical about AI personalization but accepts it as long as it is done correctly by the company although it is hard to tell what is correct and not.

All interviewees except number one and two argued that privacy was important for them and interviewee three said that as long as the consumer knows what information the company is using it is believed to be accepted. Along with this, interviewee seven said that people may not fully understand the developments of cookies and he and interviewee six usually reject or accept certain of these cookies if possible. Interviewee five said that he never goes through cookies so he does not know how much AI uses his personal information and interviewee seven also said that the process of reading through all privacy policies annoyed him since it

needs to be approved on every website he visits. These reasons were the foundation to why he sometimes accepts the cookies without reading through what he accepts.

Interviewee six said that it would have been easier to interact with AI if it felt more like a person even though they are highly aware that they interact with a robot. Although, interviewee five was skeptical about this and appreciated the robotic voice and said AI-service should not resemble a human person. Interviewee one also stated that he accepted it and was curious about AI personalization although there are some aspects that need to be taken into consideration as for instance he did not want to lose too much of the human factors and interactions.

5.0 Analysis

The following section will show the analysis of the empirical material which will help answer the research question: How integrity, ethics and acceptance influence the consumers trust for AI personalization? The analysis is structured according to the answers provided by the interviews. Therefore, influence of trust, reduced trust and skepticism is the structure of the analysis.

5.1 Influence of Trust

The empirical material gathered revealed that there was a recurrent theme throughout the interview that almost all of the participants of the study had in some way used AI in a fun manner, however not all in a matter of AI personalization. The fun and playful experience with AI can be explained by a more enjoyable experience compared to a generic content that is non personalized (Lambilotte et.al., 2022), leading not only to a better consumer experience, but a more suitable experience for the consumer. Furthermore, the participants' statements regarding that they were unsure if they had used AI personalization might have to do with the context and channel that the personalization is delivered by (Li, 2016). Yet, this was not something that the participants put a lot of thought into, therefore the focus on how it is delivered would definitely add to the trustworthiness.

As stated by Yang and Wubowo (2022), trusting new technologies comes in different stages and that could be noted by the thought process through some of the participants of the study. All of the participants, except one, had a positive first impression of trusting AI personalization from the start which could be explained by their strong belief and excitement with new technologies. However, for participant number five, who expressed that he has a positive impression of AI personalization, it took a bit longer than the rest to reach that conclusion. At first, he did not accept or explain his trust towards AI personalization, however, he further explained that he realized that he is accepting of AI personalization. This

is because of previous experience with new technology (Yang and Wibowo, 2022) that he has expressed the same initial lack of trust, but has over time accepted the new technologies and nowadays uses them very often leading him to think about how he should have an open mind and accept the new technology until it shows him otherwise. He expressed that he has now become more familiar with the technology of AI (Yang and Wibowo, 2022).

One of the important predictors of trust according to Prakash et.al. (2023) is the perceived usefulness of the technology, which some of the participants of the study could see increase their trust in AI personalization. Interviewee six explained: “Personalized AI services make it easier to find what you want, and they work very well in simple contexts with guidance. It's a highly effective feature that streamlines the search process”. With this participant understanding the usefulness of AI personalization compared to not using it, makes him not only trust the technology, but is also something he could adapt with it. When it comes to adapting to AI personalization, participants two and three explained that it is something they can see themselves use in everyday life. Interviewee number two explained that she realized during the interview that she has been in contact with AI personalization everyday to help her. Interviewee number three added on to this by saying that since she can see it be used in her everyday life and it would add benefits with it, it becomes more trustworthy. By accepting these feelings and ideas, the participants therefore have realized that it is useful for them personally.

The simplicity explained by some of the participants with AI personalization, since some of them have not even thought about being in contact with a service that uses AI personalization, there is an increase in trust since it is fairly easy to use. In combination, participants five and seven also commented on the perceived usefulness of AI personalization where it is explained as being excellent at collecting data and giving him what he wants through access on the internet. In the same manner, interviewee seven explained: “...it provides quick answers and it is very efficient compared to if a real human had to respond to these simpler questions. If it can facilitate processes such as shopping, ordering things and so

on, I definitely feel like it is increasing my trust". Therefore, the tool of AI personalization could enhance the overall consumer experience through personalized data (Pappas et.al., 2017).

The personalized consumer journey that holds a great importance today (Nagy and Hadjú, 2021), which is something two of the participants have experienced. AI personalization has helped both participant number four and six to a personalized journey. Participant four have received job offers that match her education and interests, meanwhile AI personalization have helped participant six to find the right dress when she added her preferences. Both of these participants had a good experience with personalization where they received their goal when in a part of the consumer journey. Since they put their trust into these AI personalization, it was highly important for their continuous and increasing trust that they received the personalized content they were looking for, otherwise it could have lead their initial trust not being met and they it could have resulted in a lower online traffic (Nagy and Hadjú, 2021).

Interviewee number three explained in her interview that transparency, in combination with integrity, was important for her to be able to trust AI personalization. These factors have a direct correlation with trust (Bedué and Fritzsche, 2021). Since this participant highly values her integrity, transparency was important to her since she felt a necessity to acknowledge how it is used and why, in combination with the fact that she is aware that she is interacting with an AI-service. This will add to her trust and lower her worries about her integrity and risks (Son et.al., 2022). The participant expressed that that made her feel in control and could decide herself if she would like to use the personalized AI-service.

Interviewee number one explained that the number one thing that would influence his trust of AI personalization is to gain knowledge on how it works, how a company uses it and the process as a whole. This would allow him for a deeper understanding, making it possible to reach a higher level of trust (Bedué and Fritzsche, 2021) compared to as of right now. This

would also help to understand the advantages and therefore understand why it should be used. However, that is not the case for everyone since interviewee number five stated that she trusts AI personalization because she does not frequently use it, meaning she does not know too much about it which for her leads to more trust. In addition, interviewee six stated that it is important for him to trust AI personalization when it comes to the ease of use, which is one of the predictions of the level of trust (Mostafa and Kasamani, 2022; Sarkar et.al., 2020). If it becomes too hard for him to learn how to work the service itself or too much effort has to be put in, the participant described that it will make him feel irritated then instead.

An interesting aspect that was brought up by participants number five and seven explained that if someone that they trusted or looked up to had something to do with the development of the AI personalization service, it would influence their trust believing it would therefore be more trustworthy. They believe that if a peer believes that they are satisfied with an AI personalization service, that will then influence the trust and decision making of the participants (Mostafa and Kasamani, 2022; Kaabachi et.al., 2019).

5.2 Mistrust

The increasing amount of available data and technological progress are actively increasing and due to this, ethical considerations need to be taken into account (Klockmann et al., 2022). Previous research has focused on the creation of the ethical machines, although consumers' response to machines seems to be less concerned with moral behaviors when interacting with technology (Giroux et.al., 2022). It is also a question of who is responsible for the ethical considerations and interviewee four stated that AI personalization can be seen as unethical due to the uncertainty of what the aim is of the AI personalization. She said even though it is a cost-efficient software tool for companies it is important to point out that the service does not necessarily become better for the consumer. This further gave her a negative feeling and lack of trust when it came to AI personalization. Companies should therefore be

clear on why they use these services and be transparent about how they use it (Ameen et al., 2021).

Keeping consumer preferences in mind, interviewee number two expressed her mistrust in the creation of a relationship with AI-enabled services. Additionally, this is because of her previous experience where she acknowledged that a relationship could not be created between her and the AI-enabled services. By having this experience, it has created a perception that all AI-services are acting in the same manner, which then did not meet her needs nor expectations. However, when taking this consumer's perspective into consideration, companies can provide better AI-enabled services that meet the consumer's needs and preferences (Kushwaha et.al., 2021). Besides the disappointment of the relationship with the AI-enabled services, interviewee two, aligned with interviewee three had mistrust towards AI personalization because it has been interpreted since a young age. They explained that they have learned about online security from their parents which have further shaped their beliefs in older days. In fact, opinions from family and friends affect consumers' trust and decision making when it comes to AI which can be concerning for the consumer (Mostafa and Kasamani, 2022; Kaabachi et.al., 2019). Interviewee number two felt scared due to a story told by her mother which further influenced her trust towards AI personalization negatively. Interviewee three was rather extra careful due to being educated by her parents in cybersecurity and also gave her mistrust when it comes to AI personalization. Hence, trust in AI is influenced by user-related factors from prior experiences and are familiar with technologies, personalities and existing perceptions related to AI which further can lead to loss of trust (Yang and Wibowo, 2022).

Personalized information can be interpreted differently depending on the perceived and actual personalization (Lambillotte et al. 2022). Interviewee four mentioned that she has been receiving potential job offers that may suit her preferences while the job offer actually did not fit her preferences and further was interpreted as a non-personalized message when the aim was to be personalized. Due to the leverage of consumer personalization that was viewed

differently between the consumer and the company, her loss in trust towards AI personalization increased. To be able to meet the consumer needs it is therefore necessary to have correct data when analyzing consumer data.

When it comes to personalized data, interviewee four also said that she was strictly against that her personal data should be analyzed in order to use it for consumer personal services due to privacy. She prefers human interaction even though she is aware that AI-enabled services are an effective tool for both consumers and companies to be able to get quick assistance. This is because she does not trust AI personalization due to earlier experiences and therefore is against AI-personalized services. Aligned with interviewee four, interviewee seven also took a negative stand to use their personal data for personalized services or content. However they have used it and accept it to some extent. Due to their negative feelings they felt mistrust in AI personalization because of their negative stand to use their personal data for personalization. They believed that their privacy should be kept to them and not for companies, stakeholders or society at large. Although interviewee four said that her knowledge within the field is lacking and when a consumer is more used to computer agents they might be more aware of how computers store consumer data which can lead to a higher chance of trust (Song et.al., 2022). Because of this, it is crucial to inform the consumers that they are interacting with a secure information system if that is the case (Song et.al., 2022). Further, interviewee seven felt like he was missing trust because he felt companies were monitoring consumers' activity online and as a consumer that felt frightening. Once again companies should be clear about how they collect and use personal data in order to deliver consumer personalization (Ameen et.al., 2021). If the consumers could increase their trust towards AI personalization, personalized content can give the consumer a more subjective and playful experience and help find comparisons and make decisions based on consumer data (Lambillotte et al., 2022; Klaus and Zaichkowsky, 2020).

When it comes to human interactions, interviewee number one and six said they trust humans more than an AI-powered personalization system when they seek help. This is because

AI-services lack human interaction and give them a negative experience since they prefer human interactions more than AI-enabled services. Since there is no human interaction in these services it feels less trustworthy since that is what they prefer. However, perceived risk of the consumer's privacy tends to be higher when talking to a human compared to an AI-service due to subjective interest to disclose their privacy (Song et.al., 2022).

Although interviewee six trust AI personalization because she rarely uses it she also said that if she would have used AI personalization more her trust would have decreased. This is because her knowledge within this field is lacking and if she would have more knowledge about it she would understand the circumstances of using it and therefore would lose trust. Therefore, it is crucial to inform the consumers that they are interacting with a secure information system if that is the case (Song et.al., 2022)

Interviewee one, two and seven were concerned about the ethical aspect and argued that as long as money is in the picture it is becoming less trustworthy since AI-enabled services should be enhancing consumer experiences and protect consumer data and not only use personal information in order to increase the company's revenue. Therefore it is important for companies stakeholders to inform the consumers about how they handle personal information and privacy policies (Ameen et al., 2021).

At the same time, interviewee number five stated that AI lacks a moral compass due to the fact that humans have some level of compassion while AI does not. However human-like attributes, such as intelligence and usefulness play a significant role in AI (Klaus and Zaichkowsky, 2020). He described it as if AI could hack itself; it might have hard to understand the differences between sensitive and insensitive information which creates significant concern and makes it less trustworthy to use. Therefore both users (consumers) and promoters (stakeholders and companies) should take this aspect of the evolution of AI personalization into consideration and be transparent and clear about how they analyze the consumer data (Ameen et al., 2021).

Interviewees three, four and six were concerned about the future of AI and expressed their worries about AI personalization taking over a lot of jobs in the future which further leads to unemployment. They do not want to enhance these types of services and make them lose trust towards AI personalization since they believe that it is not ethical to let computers take over all of the jobs and that human interactions will disappear. They believe that human interactions are necessary.

5.3 Skepticism

Skepticism in different ways on consumer trust towards AI personalization was something that was recognized throughout all of the seven interviewees. When it comes to sacrifices, lack of control is one of the sacrifices consumers have to take in order to face AI-enabled services (Ameen et.al., 2021). Interviewee one and five felt like they had a lack of control over how much of their personal data that is used in order for a company to deliver AI personalization to them and they also felt unaware of it. AI personalization is something that will always be on the internet and is not something that can be turned off. They felt like they needed to give up something that they value about themselves, which in this case is having control. Due to this sacrifice, consumers can have a possibility to feel negative feelings of irritation which further can lead to a negative attitude towards AI-enabled services (Ameen et.al., 2021). This also touches upon consumer privacy and integrity which interviewees three, five and six were concerned and skeptical about and stated that they cannot keep their privacy and integrity for themselves in order to use AI personalization. They also felt like they had to sacrifice their privacy and integrity in order to use AI-enabled services which was not something the interviewees preferred as a consumer. One of the interviewees stated that he prefers to remain anonymous on the internet even though he has not so much to hide. This is because it felt unsettling for AI to know everything about him just for the sake of AI personalization. He rather preferred using AI-enabled services in a simpler context and then further talking to a human person since he was afraid of his integrity being hacked online. However, according to Song et.al. (2022), perceived risk of the consumer's privacy tends to

be higher when talking to a human compared to an AI-service due to subjective interest to disclose their privacy. Although, it should not matter if it is an AI-service or human being since all service agents should respect an individual's privacy (Song et.al., 2022).

As for the final stage in trust of AI, Yang and Wibowo (2022) states that one must have faith in the technology in combination with relying on the technology in the future to be able to trust it. However, almost every interviewee felt scarcity in some way towards this new technology. The fact how AI personalization works and how it will develop in the future was concerning for the interviewees and made them feel skeptical about the trust towards AI.

When it comes to human-like attributes, one of the interviewees was skeptical towards the trust when it comes to AI personalization because of the fact that AI-enabled services are becoming more and more humanlike at every interaction or discussion held. Although interviewee number four misses the ability to communicate with body-languages and consumer feelings and believes that human-like attributions is missing in AI personalization. Align with this, Klaus and Zaichkowsky (2020) argues for the fact that human-like attributes should be taken into account since they play an important role in consumer intentions to use AI-enabled services. Hence, AI-enabled services should be designed with the consumers' perspective in mind (Kushwaha, Kumar, and Kar, 2021).

When it comes to the ethical perspective of AI personalization, interviewee number one was skeptical to trust personalization, because of the belief that every individual has different cultures and perspectives of their beliefs and questioned how AI without emotions can be able to act in an ethical way to all beliefs and cultures. This is because he understood that content might be personalized but that it can go quite wrong quickly if AI cannot tell what is right or wrong ethically. This made him skeptical of the trust of personalization. These interactions of social and moral norms are however not as strong as an interaction between humans and AI systems should only act like social agents (Giroux et.al, 2022). In fact, when consumers interact with AI as a human person, it will lead to stronger moral intentions to

report errors (Giroux et.al, 2022). This is clearly a negative impact that they can see rather than the beneficial aspects of AI personalization. Therefore it is believed that they are not optimistic about the positive aspects of AI and are less likely to embrace the technological innovations that can increase their quality of life (Flavián et al., 2021).

6.0 Conclusion

This chapter contains the conclusions of the study presented in addition to a description of how it can be implicated both theoretically and practically. The aim of this chapter is to answer the purpose of this research.

The aim of this study was to explore consumers' trust towards AI personalization and three conclusions can be made with help of the findings.

Firstly, what could be identified from the gathered interviews is the fun and playful experience that the most of the participants have had previously with AI-services, meaning that a positive perception had a direct impact on the trust in AI personalization. Furthermore, it was determined that previous experience with new technology had an impact on the influence of trust towards AI personalization, although the excitement of the new technology for the participants came in different stages. Another factor that was identified in correlation to trust and AI personalization was the importance for consumers to receive the personalized content they were after. If a consumer is with the help of AI seeking personalized content, it was highly valued that the content they received was able to meet the expectations. When this occurs, the demand of the consumer is therefore met and it will validate the trust and possibility use AI personalization in that context again. The factor of easiness to use AI personalization was found to influence the trust of the service. This was both in the context of the service itself and how to use it, but also the perceived usefulness of why the consumer chose to use AI personalization. Adding on to findings of the trust, a surprising finding in the study was the aspect of increased trust with the help of a peer. It was concluded that if the AI system was developed by a peer consumers trust and admire, consumers will also trust the service.

Secondly, findings showed consumer mistrust towards AI personalization due to several factors. It was shown that prior experiences were found having a connection with mistrust in

the study. This conclusion can be made since expectations of the consumers have not been met by AI personalization in an effective way, with for example non-personalized messages, which lowered the trust and increased the dissatisfaction of the service instead. The consumers' opinions of AI personalization has shown to be influenced by people close to the consumer such as family and friends when it comes to trust and decision making. According to prior experiences and education from family members, carefulness about AI personalization, personal integrity and cybersecurity was taken into consideration and affected the trust negatively. Consumers mistrust AI personalization due to lack of human interaction. Another conclusion that could be drawn was the mistrust of the aim of AI personalization. The benefits for the consumer to use AI personalization was shown to not succeed the potential aim for others, such as companies, to use AI personalization. Trust was questioned in regards to as long as money is in the picture, consumers have a hard time accepting that it should benefit them. Rather, it was believed that using personalization was just another way for companies to increase their revenues. Additionally, another factor of mistrust that was concluded is the worries of the future of AI, which had a direct impact on trust of AI personalization. The worries correlate to the scarcity of unemployment in the future and because of that, consumers therefore do not want to use services such as AI personalization. This was an aspect that the researchers were not prepared for, but found was an essential part of trust towards AI personalization.

Lastly, in the case of skepticism, consumers felt that there was trust towards AI personalization, but there was some criticism or sacrifices that needed to be taken into consideration. Lack of control was something consumers felt they needed to sacrifice and they felt they needed to give up on the control of personal integrity online to be able to integrate with AI personalization. Another sacrifice that was found was the human-like attributes since AI is not able to feel compassion or understand body-languages. The issue of privacy and integrity when using AI personalization was concluded having different levels of importance for consumers. Consumers at the moment do not fully trust that their data generated is being processed in a safe way and there are a lot of risks that are being taken

when using AI personalization. However, it does not necessarily mean that they will not use the service, but that they are concerned. This goes along with the consumer's scarcity for some towards this new technology. The fact how AI personalization works and how it will develop in the future was concerning for the interviewees and made them feel skeptical about the trust towards AI. Another key finding of the study is the skepticism against the personalization that AI is generating. Consumers all over the world have different beliefs and cultures, leading consumers to question if personalization can be applicable to everyone.

The three found aspects of consumers' trust towards AI personalization are connected to each other. Consumers do not base their trust in the same way, meaning that different consumers value different aspects of trust for AI personalization. As *Figure 2: Theoretical model* shows below, they are interconnected. The key findings that were found in the study are visually represented and show that consumers base their trust, mistrust or skepticism differently. However, there were no connections between the influence of trust and skepticism that just connected with each other.

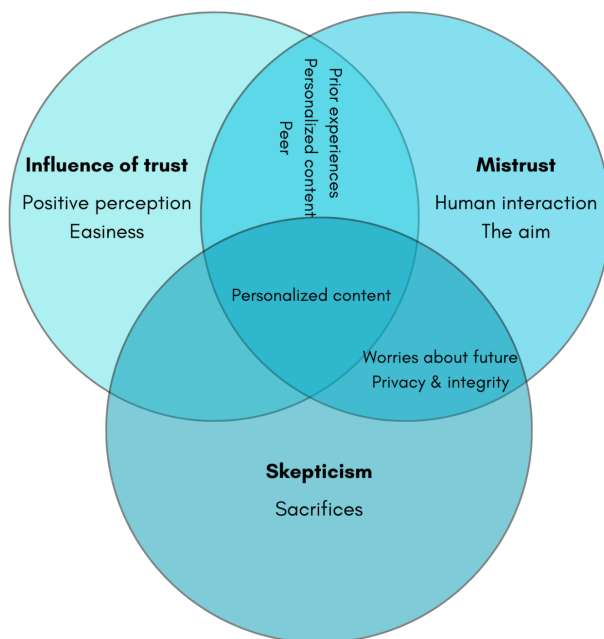


Figure 2: *Theoretical Model* [own]

6.1 Theoretical Implications

The aim of this study was to contribute with new knowledge regarding consumers' trust in the fast paced development of AI personalization. It was shown that all consumers are different and therefore also have different views on what their trust is towards AI personalization. It is believed that there is a need for a more nuanced understanding of trust dynamics. As the concept of AI personalization is well adapted and rapidly evolving in today's society, this thesis gives the research a new insight in consumers' trust towards it. This study can further contribute to theoretical implications with its guidelines through customers' trust which can help to gain a deeper understanding of the consumers' perspective towards AI. In addition, this research can contribute when expanding the theoretical field with new research. By gaining ground on trust towards AI personalization, it can help tie together the field of consumer behavior towards AI by contributing with research about trust from a consumer's perspective.

6.2 Practical Implications

This research is primarily addressed to companies that use or want to implement AI towards consumers. Companies can take advantage of these findings in order to understand what influences consumers' trust towards AI personalization and how they should take different aspects into consideration. One of the aspects is to enhance the transparency and be clear to the consumers on how their personal data is gathered and then further used. It has been shown that it is crucial to educate the consumers in how AI personalization works and what the companies do to protect their privacy since it is a greater concern for the consumer. Therefore this research's contribution can be relevant for companies, stakeholders and society at large. Companies should also be aware of consumer's preferences when it comes to personalizing their journey. The research showed that human-like attributes and human interactions are highly valued and should therefore be taken into account when designing the consumer journey in order to enhance consumer experiences and build trust.

Another aspect that contributes to practical implication is the ethical considerations that occur in consumers' trust towards AI and AI personalization. Companies, stakeholders and society at large should be aware of the ethical issues that might occur when implementing AI in the society and business (*see chapter 3.8 societal considerations and 4.4 considerations of ethics*). Lastly this research contributes with knowledge in how consumers' opinions in policy and personal data protection and the unawareness of how their personal data is stored and used for AI personalization. Therefore policymakers as well as companies should reconsider how they present their policies when it comes to gathering and storing consumer data. To conclude, these findings provide valuable insights for different actors, such as, companies, stakeholders and policymakers with the aim to enhance consumer experiences, build trust, and take ethical considerations when it comes to AI personalization.

7.0 Limitations and Future Research

This chapter describes the limitations of the study in combination with suggestions on how further research can be made.

7.1 Limitations

With the progression of this research few limitations have been identified. However, these are fairly important. The biggest limitation in the research is the limited sample size of the conducted research. Seven interviews were conducted, yet with the nature of the research being exploratory in combination with the purposive sampling still allowed for enough data that was applicable to the research and provided the findings and aim for this specific research. However, this is limiting the research by making it fairly narrow and by having more participants will allow for an even deeper insight and a better understanding. Furthermore, another limitation of the research is the location of which the participants of the study lived. All of the participants live in Växjö, Sweden, except one that lives in Denmark. Moreover, the aspect of time is a limitation of the study as well. The researchers of this paper underestimated the lack of previous research and a lot of time had to be spent on finding their way through the paper meaning towards the end of the research, there was not as much time left to process the paper as a whole.

7.2 Future Research

This research can further be used in advantage for other researchers in order to discover new knowledge within the same research area. Since AI is a constantly evolving field, the researchers of this paper recommend keeping contributing to new research in different ways and perspectives. For instance, since the researchers of this paper only explored consumers' trust towards AI personalization in order to answer how integrity, ethics and acceptance influence the trust, it would be interesting to conduct an investigation in a deeper context, as for example how consumer trust could be enhanced by AI or AI personalization. Since this

research used a small sample in similar ages, it would also be interesting to investigate consumers' trust towards AI personalization to be able to answer if it differs between age groups. In addition, the researchers recommend investigating a greater sample size. Future research could take the aspect of taking the research further with researching trust towards AI personalization in different countries. This could be done by cross-cultural studies to research if there are differences between different countries. By doing a cross-cultural study, it would at the same time be able to reach a wider audience. By doing this study, it can allow for society at large and its actors to implement different strategies in different countries.

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Appendices

Appendix 1: Interview Transcripts

Interview 1

When asked whether he had used any AI enabled service before he responded that he had used AI before, but just for fun. However, when asked about if he has received personalized content or services through AI from companies he stated at first that he probably had. But when giving it a second thought he knew he was pretty sure he had been in contact with it. The interviewee further explained his thoughts about personalized content through AI. In a way he believes that it is something good since it allows him to get suggestions or information based on how he has interacted with the internet previously. Even though he sees this as something positive, at the same time he mentioned that it is a bit scary since it gives him the feeling that whatever he does on the internet it feels like something or someone is tracking every choice he makes. Another aspect that makes him scared is that AI-enabled services become more and more humanlike at every interaction or discussion that is being held. He explained that this feeling is based on knowledge around the development and the services as a whole. The lack of control is also something that the interviewee brought up. This is since it is not just something that can be turned off, but will always be there and it can be also hard to know when.

When asked what influenced his trust most in regards to AI and personalization, the interviewee explained that it would be knowledge. By receiving information on how it works, how a company uses it and the process as a whole it would influence the trust. Because the interviewee felt as of right now that it is unclear how AI knows everything about him and why. When asked whose job it is to educate him, he answered that it is the company that uses the AI enabled services to personalize. He stated: “If a company is going to have a service like this (AI personalization), they need to explain why and how it works. Not only

stating that this is how it is going to work now”. However, when the interviewee was asked about the value of integrity, he felt like it was something that he does not put a lot of thought into. He also stated that as of right now, he has not had any issues with integrity meaning that he does not see it as a problem. He has accepted the fact that it is something he as an individual cannot change either. Furthermore, he believes that consumers might be scared of their integrity and privacy since AI personalization is fairly new and not something that is fully understood yet.

The interviewee was asked about the value of ethics and AI personalization, which was not something that he has thought of before. When thinking more about the ethics, he expressed that he feels like AI and personalization feels wrong. He describes that it feels fake to have AI and personalization. One example that he brings up is influencers making AI of themselves to earn money. The point with bringing this up, he explained that it is because he feels like much of it has to do with money. He feels like a lot of the usage and development of AI is taken advantage of for the end goal of money. He explains that this does not feel ethical. When asked to think of it more from the perspective of personalization and AI, he believes that consumers act differently around the world and have different beliefs. How can a robot without emotions then be able to be applicable and act in an ethical way to all of them. Even though the content might be personalized, does everyone want it in the same way? It can go quite wrong quite quickly since the AI should not be able to tell if it is right or wrong ethically. He explains that this is because it is not a real person and that it is actually a data system. According to the participant, whenever AI and personalization is used, for example if the consumer gets suggestions on recipes, the same ethical issues might not show up in comparison to having more exchanges in other and bigger things.

He was asked if he accepts AI and personalization, from the beginning the interviewee strongly stated that he is. However, he does not believe that everyone feels the same way as him. He describes himself as being a person that does not really care about his own privacy and therefore it might be easier for him to accept AI personalization compared to others that

care more about their privacy. The biggest issue with AI personalization for this interviewee is the lack of human interactions, which this interviewee values quite high. He feels like this is something that he has to sacrifice and will lose when using services like this. He hates when he calls consumer service or emails a company and the response he gets is in the form of an AI. He does not feel like he trusts these services as much as a human. He also explained that he feels less likely to consume something from a company that uses AI personalization in their different services. What the interviewee really pushed on was also that everything is based on the different situations as well. To sum up this interview, the interviewee explained that he is accepting and curious of AI personalization, but there are certain aspects that need to be thought of. He does not want to lose too much of the human factors and interactions, but some parts can be changed to AI.

Interview 2

When the interviewee was asked if she had ever used any AI-enabled services or had ever stumbled across AI personalization, her response was that she had not used it in a serious way, but she had heard about AI personalization. However, she has used the new AI-service that can be found in Snapchat at the moment. She further explained that she has tried this AI-service to actually see how humanlike it is. However, she found that it is not working that well since it cannot remember things that have been said before. She therefore felt like it is impossible to build relationships with this AI, leading to her thinking that all other AI-enabled services and personalization acts in the same way. Even though she is aware of the development of AI, she is really scared of what it can mean for the future. She has felt this way since she was a child because her mother told her about AI whenever her brother played video games with robots as a child. The mother told the interviewee that it is scary that when AI reaches a limit to where they acknowledge that they are smarter than humans and could take over. Ever since then, the interviewee has been quite scared of AI and what the future would look like. She also felt like during the last six months that AI has exploded and become more easily accessible.

When asked about AI personalization, the interviewee explained that she has not really thought about how she has come across AI personalization. However, this is not something that scares her. It is more something that helps her in her everyday life. She brings up the example of her feed on TikTok. The feed is generated depending on what she has liked before and it will be suitable for her. If her feed on TikTok was instead of football, which she has no interest in, she would not stay on the app. She is therefore happy that she does not have to go through all of the videos to find something for her to watch, but that it is taken care of through algorithms. She then explained that AI personalization through organizations or companies is not something that she cares a whole lot about, rather something she sees as a positive thing. But even though she gets personalized content generated by AI, that does not mean that she will for example actually buy those products that are generated to her based on previous purchases or interests. She explained that she is a person that does a lot of research before she buys something. The interviewee then explained that it is probably worse for a person who buys a lot of things to have all of the personalized content shared with them, which makes it easier for them to buy more.

In regards to integrity, the interviewee does not really value it and it doesn't really matter that information could be gathered from her. What she does value in integrity is if things started to be sent to her address and her information of her location might be. This is mainly because it would be irritating in her everyday life. When asked about her acceptance of AI and personalization, she states that she feels accepting and open about it. She does not see any issues with it, rather just positive things. She also states that she does not really care about her privacy. She further explained that other people might have an issue with it though and could be less accepting of AI personalization because they value their privacy higher. She explained that she is quite easy going, meanwhile others might value their integrity higher. She understands why others might not be as accepting about AI personalization. She has not thought about ethics in regards to AI and personalization before. However, she explained that it could be ethical issues. Since she studies to be a teacher, her first thoughts go out to

children that might be in contact with these services. The internet is not a really good fit for children from the beginning and this could have issues with it as well.

When asked about what she values in trust in AI and personalization, she explained that she needs more knowledge about it. But she also saw an issue when it comes to companies to educate their consumers. According to the participant, since AI and personalization is constantly developing, the knowledge that the society would get would no longer be applicable when it is accepted by the society. However, what makes her trust it less is the idea that everything is based on earning money. As long as money is in the picture, she believes that AI and personalization is not something that could be trusted.

Interview 3

The third interviewee explained that she has come across different AI-enabled services before such as when she needed to seek healthcare and her health center has started to use AI-enabled services. Otherwise, she is unsure of if she has ever been in contact with AI before. The interviewee was asked if she thinks she has been in contact with AI even if she has not noticed it, her answer was that she probably has. When the interviewee was asked to explain her thoughts of personalized content through AI she explained that it is something she feels positive to, however she finds it fairly scary knowing that the information she puts out on for example the internet is then used to personalize content to her. In addition, the interviewee was then asked if she values integrity to be able to trust AI personalization. The interviewee explained that it is really important for her to know that the data she is generating is not something that will end up with someone that should not have it. She explained that she has always valued cybersecurity since she was a child since her parents have always been explaining the importance of privacy online. So to be able to trust AI personalization, integrity is something that she valued really important.

When asked if there are other influences in regards to trust and AI personalization, the interviewee had a hard time coming up with something. “I believe that it is hard to state what

is valued since I do not know too much about how AI personalization actually works and affects consumers just like me”. She further explained that as long as her privacy is being protected, it is enough for her. When asked about ethics and AI personalization, she expressed that it feels ethically wrong for companies to work like this and there were a number of reasons. She expressed that she was worried about the jobs of the future and the unemployment that might happen. She felt like it was not ethically correct for companies to make computers do all the jobs with all of the unemployment in the world. Furthermore, she explained that knowledge about AI personalization should be implemented more to be able to understand it better. However, when she gave it a second thought she had a hard time believing that everyone would actually take the time to gain the knowledge necessary from for example companies. She expressed that it is also hard to think ethically for something that has a brain on its own.

The interviewee was further asked if she is accepting of AI and personalization, she was however quite positive to it. “As long as it is done correctly”. When asked to elaborate on this though, it was quite hard for the interviewee to actually pinpoint in what way it should be done right. However, she stated once again that privacy and integrity was important to her. The interviewer then asked if transparency could be important and the interviewee stated that was the case. As long as it is transparent and integrity is held, she expressed that she was accepting of AI personalization. As a consumer and only thinking of herself, she believed that it could be beneficial for her in her everyday life.

Interview 4

Firstly the interviewee was asked if she was aware of AI-personalized services and what her thoughts were about this. She answered that she was and she was afraid of it because people lose their jobs because of AI and that it does not feel ethically correct. Then she continued and said that it can be an effective tool in order to get quick answers. She understood that it is an effective and cost-saving tool for companies that work in for instance health care. Further on she was asked about her own experiences with personalized AI-enabled services or

content and she said that she has used it in order to prepare for job interviews when she has searched for jobs in order to be better prepared. She at first said that she does not know if she has come across it as a form of a service. But after thinking about it, the company Indeed that you use when searching for job applications uses personal preferences and information in order to find a relevant job for you. However, sometimes she has gotten emails about “relevant” jobs that are not relevant. This made her feel irritated and untrustable. She further stated that you have to know yourself very well in order for the AI to apply it in a good way. AI cannot understand body language or consumer feelings which can make the consumer upset and even more confused than he or she was in the beginning. Thereafter the question concerning what influences the interviewees trust in AI personalization was asked and she said that she has no trust in AI personalization as a consumer since it can use her personal data and touch upon her integrity and process her data even though she is not aware of it. It doesn't feel secure that it can gather information from her and made her feel a bit unsettling. When she was asked about if she values integrity to be able to trust AI she said that AI doesn't feel reliable. She continued that it's not a problem when it comes to handling company information and general knowledge, but it becomes troublesome when it involves personal privacy for the consumer. When it comes to considering the ethics that she might value in AI she said that her knowledge is too low in order to answer the question and had not thought about the ethical issues that might occur using AI personalization but she can understand that there are some ethical issues with it. She ends the interview with her acceptance of AI personalization to some extent but personal information should be handled with integrity. She does not want AI to analyze her personal information and use it for personal consumer service.

Interview 5

The interviewee was asked about if he is aware of AI personalization and answered that he is. He further continued with the probing question about his thoughts about personalized AI-services and content and he said that it helps with quick assistance and avoiding long phone queues. It is excellent at collecting data and giving him what he wants to access on the

internet. He said that it is a bit scary that it knows so much, though. He never goes through cookies on websites, so his awareness of how much AI uses his information is lacking because of this. AI personalization is good as it is now, it's efficient, especially cost-effective for companies and for consumers it is timesaving and easy. Then the questions about his experiences with personalized AI-enabled services were asked and he answered that he has used Chat GPT and that it assists in finding quick information in a seamless way. Initially, he was quite skeptical, but with a little knowledge, he has developed acceptance and thinks that AI services are fantastic as long as they do not use too personal information. "You receive the information you need and can then take it further to a real person". The probing question of how he feels about AI improving or enhancing these services was also asked and he continued with that he does not want the AI to improve too much and that it could become too creepy. He appreciates the robotic voice and does not like it sounding like a human. AI-services should remain robot-like and not resemble a human person. His answer on what influences his trust in AI was that if an AI chatbot is created by someone reputable, it boosts his trust in AI. For instance, Chat GPT, developed in part by Elon Musk, demonstrates the seriousness behind AI chatbots. If my insurance provider has it, and he pays them, he has confidence that the AI chatbot is reliable and respects his personal privacy. He also valued his integrity to be able to trust AI since he cares a great deal about ensuring that his privacy is protected. This is because he prefers to remain anonymous on the internet, even though he does not have much to hide. He said that it feels a bit unsettling for AI to know everything about him just for the sake of AI personalization. He knew that the internet knows everything about him, but prefers to keep AI at arm's length. This is because it can convey things and communicate. For instance, when he gives information about himself to a company, they have to ask the person if they want information about him. "It feels easier to hack the internet and gain access to my personal information". The interview continued and the question about considering the ethics in the value of AI was asked. He said that he has been thinking about this a lot and for instance it would be unethical if AI could give answers on topics such as war conflicts or similar issues that humans debate upon. It could create problems, as the dimension of human arguments would disappear. He answered that it can become

problematic in the future as well. “Humans always have some level of compassion, while AI doesn't. If AI can hack itself, it lacks a moral compass regarding sensitive or insensitive information, which creates significant concern”. He believed that it is easy to find gray areas in contracts and user policies for AI. It can demonstrate and report how it has hacked itself since it stores information, making it difficult to hold AI accountable in court compared to a human being. Lastly the acceptance of new technology of AI and the usage of it with regards to personalization was asked and he said that he unfortunately has to accept it and gives the example of smartphones that at first was seen as a silly idea but tech companies that did not embrace the new technology went bankrupt. It is good to have skepticism and it's important to be critical when it comes to technological advancements. He ended the interview and said that he has been uncertain about this new technology as a consumer, but he must accept it. He only uses it in a way that he feels comfortable with.

Interview 6

Firstly, the interviewee was asked about her awareness of AI personalization and she answered that she was and gave an example of when she was about to buy a dress online and an AI chatbot was able to assist her in finding the right dress when she provided her preferences on the type of dress she was looking for. The probing question of what her thoughts were about personalized services or content were asked and she said that it is very clever since it makes it easier for the consumer to get the information he or she is seeking for but it is a little scary because it has all the information about her even before she has made a purchase. She brings up an example about the clothing company ASOS and that they know the consumers' sizes based on previous purchases. Further she commented that her experiences have been nothing but positive so far however she has not used AI-personalized services extensively. But the times she has used it, they have worked well, and she has received the information that she was seeking for. “Personalized AI services make it easier to find what you want, and they work very well in simple contexts with guidance. It's a highly effective feature that streamlines the search process”. Then the probing question was asked concerning improving or enhancing these types of services. She said she believed in order to

make AI services even more effective, it requires companies to gather more data than they currently can. Although she thought this could be challenging due to societal consent and GDPR regulations. She believed that this opportunity is necessary for further development. She also believed it would have been easier to interact with AI if it had felt more like a person, even though one knows it is a robot. When it came to the question about what influences her trust in AI she said that she trusts it but rarely uses it and believed that is why she trusts it more. If it had been even more personalized, her trust would have definitely decreased. As a law student, she is also very skeptical of cookies and does not accept all of them. She always reads through cookies now since she started studying. If there is an option to only accept certain cookies on a website, she does that. She also valued the personal integrity to be able to trust AI and that is because it is on the internet and you cannot trust everything written there. She believed that it is very important to be critical of sources online and as she mentioned earlier she always reads through cookies to know what information the website is gathering from her and her privacy. Then the question about considering the ethics you might value in AI was asked. She said that it is not something she thinks about but that is how it is – it is inherent in everything, ethics and morals. But it's not something she always dwells on. Lastly the question about acceptance in new technology in terms of AI and the usage of it were asked. She said that she accepts it when it comes to websites or consumer pages, but it's probably not the most optimal solution considering privacy, and if it becomes more developed than it is now, it will lead to unemployment as well which can be problematic and unethical in the long run.

Interview 7

To begin with, the interviewee was asked if he had ever come across AI-services and he answered that he is aware of it and among other things he has used chatbots online in order to get the assistance that he needed. He continued with his thoughts about it and said that he does not appreciate receiving personalized content and he does not like that companies have access to his personal information. He said “Since they can see all my internet activity and store it, they can give me recommendations on products or services they think would suit me.

I find it a bit scary, and it gives the consumer the feeling that they are constantly being observed on the internet”. When the question about his experiences was asked he answered that he has used it for complaints and inquiries regarding orders when he has purchased a product online. He can appreciate that type of service because: “it provides quick answers and it is very efficient compared to if a real human had to respond to these simpler questions. If it can facilitate his processes such as shopping, ordering things and so on he has a positive view of it. I definitely feel like it is increasing my trust”. Although, when it comes to using his activity and personal information to show him recommended products and websites he took a negative stance to that. He ended the answer to the question by stating that he wants to have his privacy for himself even though it can streamline his search process on the internet. The question about improving or enhancing these services were then asked and he said that he is positive to the development of it however very skeptical in the short term. He answered that everything about this is new and consumers or companies may not fully understand the advancements in this field and that the development is progressing faster than human thinking. This means that it may not be fully optimized in the right way. Then he went into personalization and said that people may not fully understand the developments beyond cookies and such. He usually rejects these cookies if possible, otherwise he only accepts the necessary ones. This process annoyed him since it needs to be approved and reviewed on every website he visits. Therefore he sometimes fails to read the cookies before accepting them. When it comes to trust he answered that it is influenced depending on the actor that is involved in the development of this AI-service. He gave an example of if it were the government he would be more skeptical about or if only making more money is in the picture. He also mentioned that it depends on the context but if a person has had a verbal discussion about something and suddenly this information appears on the phone he would be very skeptical. He said that it feels like companies are monitoring consumers' activity and as a consumer that is frightening and definitely affects his trust in personalized AI-services. Further the interviewee answered the question about valuing his integrity and he said that he appreciated when it is clear what the consumer is approving although he was quite careless when it came to reading exactly everything that he needed to accept and it also took a long

time. He was afraid that his personal data would be hacked and used for wrong purposes online. The question about considering the ethics he might value in AI was then asked. He said that ethics is not something he has directly thought about but he could see that there were ethical issues when it came to robots storing human information. He could understand that the ethical problems could arise because the development is progressing so quickly and humans struggle to keep up with it. He ended the interview and said that he must accept the implementation of personalized AI-services as a consumer since it is already here.

Appendix 2: Coding schedule

| Interviewee | Trust/ quote | Open codes | Concept | Core Categories |
|-------------------|---|------------|---------------|--------------------|
| 1,2,3,5,6 & 7 | Most of the respondents explained that they had some form of interaction in a fun way with AI. Such as Chat GPT | Fun | Entertainment | Influence of trust |
| 1, 2, 3, 5, 6 & 7 | Most of the participants expressed that they had an initial positive response to AI personalization. | Positive | Positive | Influence of trust |
| 4 | Participant number four has used AI personalization when looking for jobs. There have been a lot of jobs that this participant felt matched her interest and background | Job-search | Positive | Influenced trust |
| 5 | Even though AI personalization did not gain this interviewees trust from the start, he realized that he has felt the same when accepting other new technologies and his experiences made him trust new technology more. | Limitation | Personal | Influenced trust |
| 6 | AI personalization was able to assist her in finding the right dress when she provided her | Shopping | Positive | Influenced trust |

| | | | | |
|-------|---|-------------|---------------|------------------|
| | preferences on the type of dress she was looking for. | | | |
| 6 | “Personalized AI services make it easier to find what you want, and they work very well in simple contexts with guidance. It's a highly effective feature that streamlines the search process” | Useful | Positive | Influenced trust |
| 1 | Interviewee number one explained that the number one thing that would influence his trust of AI personalization is to gain knowledge by how it works, how a company uses it and the process as a whole. | Knowledge | Positive | Influenced trust |
| 1 & 2 | Both interviewee one and two explained that since they do not value their privacy and personal information, they expressed that it feels like they have an easier acceptance and trust for AI personalization | Privacy | Insignificant | Influenced trust |
| 5 & 7 | Interviewee five stated that it helps with quick assistance and avoiding long phone queues. It is excellent at collecting data and giving him what he wants to access on the internet, leading to an increased trust. | Time-saving | Positive | Influenced trust |

| | | | | |
|-------|---|----------------|------------|------------------|
| | <p>“...it provides quick answers and it is very efficient compared to if a real human had to respond to these simpler questions. If it can facilitate processes such as shopping, ordering things and so on, I definitely feel like it is increasing my trust”</p> | | | |
| 2 & 3 | <p>Interviewee number two explained that she realized during the interview that she has been in contact with AI personalization everyday to help her.</p> <p>Interviewee number three added on to this by saying that since she can see it be used in her everyday life and it would add benefits with it, it becomes more trustworthy.</p> | Everyday-life | Usefulness | Influenced trust |
| 6 | <p>Interviewee stated that she trusts AI personalization because she does not frequently use it.</p> | Infrequent use | Positive | Influenced trust |
| 3 | <p>For interviewee number three, for her personally, as long as transparency in combination with integrity in the case of AI personalization, she stated that there was no question of influencing trust.</p> | Transparency | Personally | Influenced trust |

| | | | | |
|-------|---|-----------------|----------|------------------|
| 5 & 7 | Both interviewees number five and seven expressed that their trust would increase if someone they trusted or looked up to take a part in the development of the AI personalization service. | Developer/actor | Positive | Influenced trust |
|-------|---|-----------------|----------|------------------|

| | | | | |
|-------|---|---------------|----------|----------|
| 4 | Interviewee number four explained that having AI personalization being cost-saving for companies, it reduced her trust since for her that does not necessarily mean that the service is better for the consumer. | Cost-saving | Negative | Mistrust |
| 2 | Since interviewee number two has been testing the creation of relationships with the AI-service on Snapchat at making her disappointed, she believes that overall AI, including AI personalization, behaves in the same way and has no type of creation of relationships. | Relationships | Beliefs | Mistrust |
| 2 & 3 | Interviewee two and three both explained that they have learned about some topics from their parents that have now shaped their beliefs in older days. | Family | Beliefs | Mistrust |

| | | | | |
|----------|--|---------------|------------|----------|
| | <p>Interviewee number two explained that she has been scared of AI since she was a child because her mother told her a story.</p> <p>Interviewee number three instead explained that her parents have always been talking to her about cybersecurity and therefore she is extra careful.</p> <p>Both of these things have therefore reduced their trust in AI personalization from the perspective of both AI and personalization.</p> | | | |
| 4 | At the same time, there have been instances where the job offers have not matched the interviewees profile, making her just feel irritated | Job-search | Irrelevant | Mistrust |
| 4 | She does not want AI to analyze her personal information and use it for personal consumer service | Consumer data | Privacy | Mistrust |
| 4 & 7 | Both of the interviewees accepts AI personalization to some extent but takes a negative stand to use their personal data for personalization | Privacy | Negative | Mistrust |
| 1, 2 & 7 | Some of the participants of this study explained | Unethical | Money | Mistrust |

| | | | | |
|----------|---|--------------------|-------------------|----------|
| | that as long as money is in the picture it is becoming less trustworthy because a lot in this world has to do with money. | | | |
| 1 & 6 | Both interviewee number one and six trust humans more than an AI powered personalization to help them, the lack of human interactions is a negative aspect since this is what they are looking for. | Human interactions | Lack of knowledge | Mistrust |
| 3, 4 & 6 | Some of the interviewees expressed their worries about AI personalization taking over a lot of jobs in the future leading to unemployment of humans. This is leading to a higher risk. | Unemployment | Worry | Mistrust |
| 5 | <p>“Humans always have some level of compassion, while AI doesn't. If AI can hack itself, it lacks a moral compass regarding sensitive or insensitive information, which creates significant concern”</p> <p>This interviewee also brings up the question of holding AI accountable since AI can not really be held accountable in court compared to a human.</p> | Unethical | Negative | Mistrust |

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| 7 | “I feel like companies are monitoring consumers’ activity and as a consumer that is frightening and definitely affects my trust in personalized AI services” | Personalized content | Negative | Mistrust |
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| 1, 2, 3, 5, 6 & 7 | It is believed to be scary because of how it works and also what it will become in the future. | Scary | Difficulty | Skeptical |
| 1 & 7 | “It feels like something or someone is tracking every choice he makes.” “It gives the consumer the feeling that they are constantly being observed on the internet.” | Tracking | Difficulty | Skeptical |
| 1 | “AI-enabled services become more and more humanlike at every interaction or discussion that is being held.” | Human-like | Scarcity | Skeptical |
| 1 & 5 | Interviewee 1 feel like these services are not something that can be turned off. It will always be there and it can also be hard to know when. Interviewee 5 believes it is easier to hack the internet and gain access to his personal | Lack of control | Unaware | Skeptical |

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|-------------|--|---------------------|--------------|-----------|
| | information. | | | |
| 3, 5 & 6 | These interviewees pointed out they cannot keep their privacy and integrity for themselves online. | Privacy | Integrity | Skeptical |
| 1, 2, 3 & 4 | They are unaware of what personal information that is captured due to low knowledge in AI personalization | Knowledge | Unaware | Skeptical |
| 6 | “In order to make AI services even more effective, it requires companies to gather more data than they currently can. This could be challenging due to societal consent and GDPR regulations” | Underdeveloped | Difficulties | Skeptical |
| 5 & 7 | If it develops too much it will become creepy and may not be optimized in the right way. | Development | Worry | Skeptical |
| 1 | He believes that consumers act differently around the world and have different beliefs. However he is skeptical of how a robot without emotions can be able to be applicable and act in an ethical way to all of individuals' beliefs. | Cultures | Perspective | Skeptical |
| 4 | AI cannot understand body-language which can make the consumer upset or confused | Body-language | Unable | Skeptical |
| 4 | AI cannot feel consumers' feelings | Consumer's feelings | Unable | Skeptical |

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| | which can make the consumer upset or confused | | | |
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