PERSONALIZATION IN DIGITAL MARKETING: EXPLORING ITS IMPACT ON CONSUMER TRUST AND LOYALTY

PERSONALISASI DALAM PEMASARAN DIGITAL: MENJELAJAHI DAMPAKNYA TERHADAP KEPERCAYAAN DAN LOYALITAS KONSUMEN

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ABSTRACT
This research aims to explore how personalization in digital marketing influences consumer trust, focusing on factors that strengthen or weaken that trust. Using a systematic literature review approach with the PRISMA method, we analyzed findings from previous studies related to data-based personalization, transparency, and privacy. The results show that the level of transparency, relevance of content, as well as consumer control over their data play a key role in building trust, while intrusive personalization can undermine it. The practical implications of this research provide guidance for companies in designing ethical and effective digital marketing strategies.
Keywords: digital marketing personalization, consumer trust, data transparency, privacy, systematic literature review.

ABSTRAK
Penelitian ini bertujuan untuk mengeksplorasi bagaimana personalisasi dalam pemasaran digital mempengaruhi kepercayaan konsumen, dengan fokus pada faktor-faktor yang memperkuat atau melemahkan kepercayaan tersebut. Menggunakan pendekatan systematic literature review dengan metode PRISMA, kami menganalisis temuan dari studi-studi sebelumnya terkait personalisasi berbasis data, transparansi, dan privasi. Hasil menunjukkan bahwa tingkat transparansi, relevansi konten, serta kontrol konsumen atas data mereka memainkan peran kunci dalam membangun kepercayaan, sementara personalisasi yang intrusif dapat merusaknya. Implikasi praktis penelitian ini memberikan panduan bagi perusahaan dalam merancang strategi pemasaran digital yang etis dan efektif.
Kata Kunci: personalisasi pemasaran digital, kepercayaan konsumen, transparansi data, privasi, sistematis literatur review.

1. INTRODUCTION

The evolution of digital marketing over the past few decades has fundamentally transformed the interaction between brands and consumers. Digitalization has enabled companies to engage with customers through various channels, including social media, email marketing, search engines, and e-commerce platforms. This shift has been accompanied by the rise of personalization strategies, which allow businesses to tailor their messages, products, and services to meet individual consumer preferences more effectively. The integration of mobile technologies and social media has become essential for brands to enhance customer engagement and loyalty, as highlighted by the literature on digital marketing evolution (Basimakopoulou et al., 2022; Dsouza & Panakaje, 2023).

Personalization in marketing extends beyond merely customizing messages; it encompasses data-driven product recommendations, personalized user experiences, and dynamic interactions facilitated by artificial intelligence (AI). Consumers increasingly expect tailored experiences that resonate with their specific needs and interests, making personalization a critical component of effective digital marketing strategies. Research indicates that personalized marketing can significantly enhance brand relationships and foster long-term

customer loyalty (Nkatekho, 2024; Deligiannis et al., 2020). The ability to deliver relevant content not only improves customer satisfaction but also drives higher conversion rates, as evidenced by the success of recommendation algorithms employed by major platforms like Amazon and Netflix (Nkatekho, 2024; "Precision Marketing Strategy for E-Commerce By Using Big Data Technology", 2023).

The rapid advancement of technologies such as AI and big data analytics has further propelled the adoption of personalization strategies within digital marketing. AI allows companies to efficiently collect and analyze vast amounts of consumer data, identifying behavior patterns and predicting future needs (Nkatekho, 2024; Okorie, 2024). Big data provides marketers with comprehensive insights into demographic information, purchase history, and online interactions, enabling them to craft highly personalized marketing campaigns (Okorie, 2024). Techniques such as machine learning and natural language processing are instrumental in creating customized experiences that resonate with individual consumers (Nkatekho, 2024; "Precision Marketing Strategy for E-Commerce By Using Big Data Technology", 2023). However, the increasing reliance on these technologies raises concerns regarding data privacy and security, necessitating transparency in data usage to build consumer trust (Nkatekho, 2024; Okorie, 2024). In conclusion, the interplay between digital marketing evolution and personalization strategies is profound, driven by technological advancements and changing consumer expectations. As brands continue to leverage AI and big data, the focus on delivering personalized experiences will remain paramount in fostering customer engagement and loyalty. Nevertheless, addressing the challenges associated with data privacy will be crucial for the sustainable growth of personalized marketing practices.

Consumer trust is a pivotal element in the success of digital marketing personalization strategies. It significantly influences how consumers perceive and respond to personalized marketing efforts. When consumers feel that their data is handled ethically and transparently, they are more likely to engage positively with personalized experiences. Conversely, if personalization is perceived as intrusive or exploitative, it can lead to negative outcomes such as brand rejection or privacy complaints (Wattal et al., 2012). Several factors contribute to the level of consumer trust in digital marketing personalization. Transparency in data use is paramount; consumers desire clear information regarding how their data is collected, stored, and utilized. Research indicates that companies that communicate openly about their data practices tend to foster greater trust among consumers (Wattal et al., 2012). Additionally, perceived control over personalization preferences enhances trust. When consumers are empowered to manage their personalization settings, they feel a sense of agency that can bolster their trust in the brand (Wattal et al., 2012).

The relevance and accuracy of personalized content also play a critical role in shaping consumer trust. Studies have shown that accurate and relevant recommendations can enhance positive brand perceptions, while irrelevant or inappropriate suggestions can diminish trust and satisfaction (Winter et al., 2021). Furthermore, data security is a significant concern for consumers; they need assurance that their personal information is safeguarded against breaches and misuse. Brands that prioritize data security and communicate their efforts effectively can strengthen consumer trust (Wattal et al., 2012). Understanding the complex relationship between personalization and consumer trust is essential for marketers aiming to implement effective strategies. While some literature suggests that well-executed personalization can enhance trust and satisfaction, there is also evidence that overly aggressive tactics can lead to distrust and negative consumer reactions (Wattal et al., 2012). This highlights the necessity for a balanced approach to personalization that respects consumer privacy and preferences. A systematic literature review can provide valuable insights into the nuances of this relationship, helping marketers navigate the potential risks and rewards associated with personalization (Wattal et al., 2012). In conclusion, consumer trust is integral to the success of digital marketing personalization strategies. By focusing on transparency,

control, relevance, and security, companies can develop more effective and responsible personalization strategies that foster long-term relationships built on trust.

Even though personalization in digital marketing has become a major trend in modern marketing strategies, the existing literature still shows a lack of clarity regarding how personalization specifically influences consumer trust. Some research indicates that personalization can increase customer engagement and trust through a more relevant and convenient experience, while other studies have found that excessive or invasive personalization approaches can cause discomfort and reduce trust levels. This uncertainty suggests a need for further exploration of the factors that determine whether personalization has a positive or negative impact on customer trust.

Additionally, various previous studies have examined the impact of personalization in digital marketing, but the results are still mixed and contradictory. Several studies show that data-driven personalization and artificial intelligence increase customer loyalty by creating more personalized and relevant experiences. However, other research highlights that overly aggressive personalization or based on unauthorized data tracking can raise concerns about data privacy and security, which can ultimately undermine customer trust. These differences in findings raise critical questions regarding the conditions or factors that determine whether personalization will have a positive or negative impact on customer trust.

Furthermore, although there has been research discussing the relationship between personalization and consumer trust, systematic studies that integrate various research findings in one conceptual framework are still limited. Most previous studies were conducted in specific contexts, such as e-commerce, social media, or email marketing, without connecting various aspects of personalization across digital marketing platforms. Therefore, this research aims to fill the gap in the literature by conducting a Systematic Literature Review (SLR) to summarize and analyze the latest findings discussing the influence of personalization in digital marketing on consumer trust. With this approach, this research can provide more comprehensive insight into the main factors that contribute to the success or failure of personalization strategies in building customer trust.

In an increasingly digital era, personalization in marketing has become a key strategy for companies to increase customer engagement and loyalty. By utilizing customer data, artificial intelligence (AI) technology, and big data analytics, companies can develop marketing strategies that are more relevant and contextual for each individual. However, although personalization is expected to improve customer experience, there is still debate regarding its impact on consumer trust. Several studies show that personalization carried out with transparency and based on customer permission can strengthen brand trust. When consumers feel that brands understand their needs without violating their privacy, they are more likely to build long-term relationships with companies. On the other hand, personalization that is too intrusive, such as the use of data without permission or advertising that feels like it is "following" customers across various digital platforms, can create feelings of discomfort and actually reduce trust. Therefore, this research aims to explore how personalization in digital marketing influences consumer trust. By understanding this relationship, companies can design personalization strategies that are not only effective in increasing customer engagement, but also building and maintaining their trust. This research question will be the basis for examining various factors that influence consumer trust in the increasingly dynamic digital marketing context.

This research has several main objectives in understanding the relationship between personalization in digital marketing and consumer trust. The first goal is to analyze how different forms of personalization—such as behavior-based personalization, data-driven recommendations, and tailored advertising—affect a customer's level of trust in a brand or digital platform. This study will explore the key elements of personalization that can contribute to both increasing and decreasing customer trust. By understanding these dynamics, this

research will provide insight into the extent to which personalization strategies can be used effectively to build stronger relationships with customers. In addition, this research aims to identify factors that can strengthen or weaken consumer trust in personalization in digital marketing. Various external factors, such as transparency in data usage, privacy security, relevance of personalized content, as well as the degree of control customers have over their preferences, can play an important role in shaping consumer perceptions. Apart from that, psychological factors such as perceived trustworthiness, perceived risk, and psychological reactance can also influence customers' comfort level with the personalization strategy implemented by the brand. By reviewing empirical evidence from previous research, this study will identify key elements that support or hinder customer acceptance of digital personalization strategies.

The final goal of this research is to summarize the personalization strategies that are most effective in building customer trust. Based on the findings from the literature review, this research will develop recommendations regarding personalization strategies that can optimally increase customer trust. This analysis will cover a variety of approaches, such as the use of transparency in communications, giving customers control over their data, as well as implementing explicit preference-based personalization versus hidden behavior. With this approach, this research will provide valuable insights for marketers, researchers, and business practitioners in designing personalization strategies that are not only effective in increasing customer engagement but also building long-term relationships based on trust and loyalty. Overall, by meeting these objectives, this research will make a significant contribution to the academic and practical understanding of the role of personalization in digital marketing and its impact on customer trust. Apart from that, the findings of this research can also be a guide for companies in developing digital marketing strategies that are more ethical, transparent and oriented towards customer satisfaction.

2. METHOD

This section explains the research method used in this study, which adopted a Systematic Literature Review (SLR) approach using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method. This method allows systematic and transparent analysis in identifying, selecting and synthesizing findings from various studies relevant to the research topic.

2.1 Research Design

This research uses a Systematic Literature Review (SLR) as the main research design to explore the relationship between personalization in digital marketing and consumer trust. SLR was chosen because it allows a more comprehensive analysis of various studies that have been conducted previously, so as to provide a more holistic and evidence-based understanding. In its implementation, this research follows the PRISMA method, which provides systematic guidelines in the process of identification, selection and analysis of literature. The PRISMA method was used to ensure that study selection was carried out transparently and objectively, seso that the results obtained are reliable and avoid selection bias. By using this approach, research can make a stronger academic contribution to understanding how personalization in digital marketing influences consumer trust.

2.2 Data Collection & Selection Criteria
2.2.1. Data Collection

Data collection was carried out through searching articles in various credible academic databases, including Scopus, Web of Science, Google Scholar, IEEE Xplore, and ScienceDirect. This database was chosen because it has broad coverage in the fields of digital marketing,

technology and consumer behavior, and ensures that the studies used in this research are of a high academic standard.

In the literature search, specific keywords that are relevant to the research topic are used, including:

- "personalization in digital marketing"
- "consumer trust"
- "customer trust in online marketing"
- "AI-driven personalization"
- "data-driven marketing trust"

This combination of keywords is used in a boolean search strategy to obtain results that are more accurate and relevant to the research question.

2.2.2. Selection Criteria

To ensure the quality and relevance of the studies used in this research, several inclusion and exclusion criteria were applied as follows:

- **Inclusion Criteria:**
  - Studies that explicitly discuss personalization in digital marketing and consumer trust.
  - Publication in a peer-reviewed journal within the last 10 years to ensure that the research used is still relevant to the latest trends and developments.
  - Articles are written in English so they can be analyzed in the international academic context and ensure accessibility to high-quality resources.
- **Exclusion Criteria:**
  - Articles that have not gone through a peer-review process, such as industry reports, theses, or conference papers that have not been academically verified.
  - Studies that only discuss personalization in digital marketing but do not link it directly to aspects of consumer trust.

By applying these criteria, research can ensure that only high-quality and relevant articles are included in the analysis, thereby increasing the validity of the findings obtained.

2.3 Data Analysis

Once relevant studies have been collected, the next step is to conduct data analysis with a systematic approach to identify key patterns and relationships in the literature that has been studied.

2.3.1. Thematic Analysis

This research uses a Thematic Analysis to group findings based on several main themes relevant to dal personalization digital marketing and consumer trust. These themes include:

- Impact Factors: Personalization elements that increase or decrease consumer trust, such as transparency, relevance, and user control over their personal data.
- Working Mechanism: How personalized digital marketing is received by consumers and how their trust is formed in this context.
- Managerial Implications: Digital marketing strategies that can be implemented by companies to increase customer trust through a personalized approach.

This approach allows research to identify recurring patterns and causal relationships between personalization and consumer trust, thereby providing deeper insight into how personalization strategies can be designed more effectively.

2.3.2. Quality Assessment

To ensure that the studies used are of adequate quality, this research applies a framework work CASP (Critical Appraisal Skills Program). This framework was used to assess

the methodological quality, validity, and reliability of the findings of each selected study. Some of the main aspects evaluated in this framework include:

- Clarity of research objectives in the studies reviewed.
- Consistency between the research methods used and the results obtained.
- Research limitations acknowledged in each study and how they may influence the interpretation of results.

By applying CASP-based Thematic Analysis and Quality Assessment, this research can produce a comprehensive synthesis of how personalisation in digital marketing influences consumer trust. This approach also ensures that the research results have a solid basis and can be used as a reference for digital marketing academics and practitioners in designing more effective and ethical personalization strategies.

3. RESULT

This section presents the results of the Systematic Literature Review (SLR) was conducted, highlighting the number and distribution of studies analyzed, the main themes that emerged, and the implications for marketing practitioners. The results of this research provide deep insight into how personalization in digital marketing can influence consumer trust.

3.1 Overview of Selected Studies

In this study, X articles were selected based on predetermined inclusion and exclusion criteria. These articles come from leading journals in the fields of digital marketing, consumer behavior, and technology, including the Journal of Marketing, Journal of Consumer Research, International Journal of Information Management, and IEEE Transactions on Consumer Electronics.

3.2. Distribution of Articles by Year

Most of the studies analyzed were published within the last five years, reflecting increasing academic attention to the topics of personalization and consumer trust. The distribution graph shows a spike in publications after 2018, which coincided with increasing data protection regulations such as the General Data Protection Regulation (GDPR) and the adoption of AI and machine learning-based technologies in digital marketing.

3.3. Research Methods Used

From the studies reviewed, about 41 articles, with experiments and surveys as the primary methods for measuring consumer reactions to personalization. Approaches, such as in-depth interviews, case studies and quantitative, to explore consumer perceptions of transparency, privacy, and the intrusiveness of personalization.

3.4. Key Trends in Research

Some of the key trends found in this study include:

1. Increased Significance of Transparency and Privacy → Many studies show that consumers are increasingly concerned about how their data is used, especially following increased awareness of digital privacy issues.
2. The Role of Artificial Intelligence (AI) in Personalization → AI plays a central role in crafting data-driven marketing strategies, but also raises challenges related to perceived intrusiveness.
3. Shift from Customization to Hyper-Personalization → Many brands are starting to use granular data to deliver highly customized experiences, but there comes a point where personalization can feel too intrusive for consumers.

3.5. Themes Identified

Based on thematic analysis, three main themes were identified in the literature reviewed: (1) Factors Influencing Consumer Trust, (2) Personalization Working Mechanisms on Trust, and (3) Implications for Marketing Practitioners.

3.5.1 Factors Influencing Consumer Trust in Personalized Marketing

Consumer trust in personalized marketing is significantly influenced by three main factors: transparency and data privacy, relevance and accuracy, and perceived intrusiveness. Each of these factors plays a critical role in shaping consumer perceptions and behaviors regarding personalized marketing strategies.

a. Transparency & Data Privacy

Transparency in data collection and usage is paramount for fostering consumer trust. Research indicates that consumers are more inclined to trust brands that offer clear explanations of their privacy policies and provide control over their data preferences. For instance, the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) have established stringent requirements for data transparency, thereby enhancing consumer expectations regarding how their data is managed (Hajli & Nisar, 2022; Obudho, 2024; Chukwurah, 2024). Studies have shown that compliance with these regulations not only increases consumer trust but also positively influences their willingness to engage with brands (Willis et al., 2021). Furthermore, the perception of transparency can vary by demographic factors, as evidenced by findings that suggest men and women respond differently to privacy statements, with men favoring technical disclosures while women prefer more straightforward, sentiment-based communications (Dooley et al., 2021; Eggers et al., 2023).

b. Relevance & Accuracy

The relevance and accuracy of personalized content are crucial for maintaining positive consumer perceptions. When brands deliver personalized experiences that align closely with consumer preferences, it fosters a sense of appreciation and loyalty towards the brand (Aslam et al., 2019; Bleier & Eisenbeiß, 2015). Conversely, inaccuracies in personalization can lead to negative perceptions, suggesting that the brand lacks understanding of consumer needs (Malgieri, 2021). This relationship underscores the importance of employing sophisticated data analytics to ensure that personalization efforts are not only relevant but also accurately reflect consumer preferences (Eggers et al., 2023; Bleier & Eisenbeiß, 2015). Research has demonstrated that effective personalization strategies can significantly enhance consumer trust and loyalty, as they feel more valued when brands recognize and cater to their specific interests (Aslam et al., 2019; Bleier & Eisenbeiß, 2015).

c. Perceived Intrusiveness

Perceived intrusiveness is another critical factor that can undermine consumer trust in personalized marketing. When consumers feel that personalization is overly aggressive or invasive, it can lead to distrust and negative attitudes towards the brand (Fox & Lynn, 2020; Misra et al., 2017). Studies indicate that consumers are more comfortable with explicit preference-based personalization, where they have control over the data shared, compared to behavior-based personalization that is often perceived as covert and intrusive (Trepte et al., 2017; Kang et al., 2020). The balance between personalization and privacy is delicate; brands must navigate this landscape carefully to avoid eliciting concerns about privacy violations, which can significantly impact consumer trust (Misra et al., 2017; Eggers et al., 2023; Bleier & Eisenbeiß, 2015). In conclusion, the interplay of transparency, relevance, and perceived intrusiveness significantly shapes consumer trust in personalized marketing. Brands that prioritize clear communication about data usage, ensure the accuracy of personalized content,

and respect consumer privacy preferences are more likely to cultivate trust and foster long-term loyalty among their customers.

3.5.2 Mechanisms Through Which Personalization Builds or Erodes Trust

Personalization in marketing has become a critical area of focus, particularly regarding its impact on consumer trust. The mechanisms through which personalization can either build or erode trust are multifaceted, with significant distinctions between customization and hyper-personalization, as well as the role of artificial intelligence (AI) and automation.

a. Customization vs. Hyper-Personalization

Customization allows consumers to have control over their preferences, enabling them to select product categories that interest them. This level of control can foster a sense of trust, as consumers feel empowered and involved in the personalization process. Conversely, hyper-personalization leverages advanced data analytics and AI to deliver highly tailored experiences without direct consumer input. While this approach can enhance engagement by providing relevant content, it can also lead to feelings of anxiety among consumers who perceive such practices as invasive or "spying" on their behaviors (Alvi, 2023; -, 2024). Research indicates that when consumers feel overly monitored, their trust in the brand may diminish, leading to a backlash against hyper-personalized marketing strategies (Alvi, 2023).

b. Role of AI & Automation

AI plays a pivotal role in the personalization landscape by enabling companies to analyze vast amounts of consumer data and generate specific recommendations. However, trust in AI-driven marketing remains tenuous. Many consumers express skepticism about the transparency of algorithms and the decisions they make (Haresamudram et al., 2023; Shin, 2021). Studies suggest that consumers are more likely to accept AI-driven personalization when brands provide clear explanations of how algorithms function and offer options to adjust personalization levels (Felzmann et al., 2020; Tal et al., 2022). This transparency is crucial for building trust, as it allows consumers to understand the rationale behind the recommendations they receive, thereby mitigating feelings of manipulation or loss of control (Cavique, 2024).

Moreover, the ethical implications of AI in personalization cannot be overlooked. Issues such as algorithmic bias and fairness are paramount, as they can significantly impact consumer perceptions of trustworthiness. Ensuring that AI systems are designed with fairness in mind is essential for maintaining consumer trust (Bankins & Formosa, 2023; Yang, 2024). Furthermore, the balance between transparency and the potential for information overload must be carefully managed; excessive transparency can lead to confusion or disillusionment with the technology (Felzmann et al., 2020; Wei-min, 2019).

In summary, the mechanisms through which personalization affects consumer trust are complex and influenced by the degree of control consumers have over their experiences, the transparency of AI systems, and the ethical considerations surrounding algorithmic fairness. Brands that navigate these challenges effectively are more likely to foster trust and loyalty among their consumers.

3.5.3 Implications for Marketing Practitioners

The findings of this study highlight several critical implications for marketing practitioners aiming to implement effective personalization strategies while preserving consumer trust.

Best Practices in Building Consumer Trust through Personalization

1. Transparency as a Top Priority: It is essential for brands to communicate clearly how customer data is utilized. Transparency fosters trust, as consumers are more likely to engage

with brands that openly share their data practices. Research indicates that consumers prefer brands that provide options for managing their data preferences, which can enhance their overall trust in the brand (Yürük, 2021; Brinson & Britt, 2021). For instance, when brands adopt a permission-based approach to data collection, they can mitigate negative perceptions associated with personalized advertising (Brinson & Britt, 2021).

2. Relevance Over Quantity: Marketers should prioritize delivering relevant content rather than overwhelming consumers with excessive personalization. Studies suggest that when marketing messages are tailored to genuinely meet consumer needs, it leads to higher engagement and conversion rates (Gupta, 2023; Zhang, 2024). The focus should be on understanding consumer behavior and preferences to ensure that the personalization efforts resonate with the target audience (Kaikara, 2024; Zhao, 2023).

3.Using AI Ethically: The integration of artificial intelligence (AI) in marketing can significantly enhance customer experiences; however, it must be executed with a strong emphasis on ethical considerations. AI should be used to analyze consumer data responsibly and respect privacy boundaries. Research shows that AI can improve personalization by analyzing vast datasets to create tailored messages, but it is crucial to maintain consumer trust by ensuring that data usage aligns with ethical standards (Gao & Liu, 2022; Senyapar, 2024).

Risk Mitigation Strategies Related to Privacy and Data Security

1.Adopt Strict Data Security Standards: Implementing robust data security measures is vital to prevent misuse or breaches of customer information. The literature emphasizes that organizations must establish high standards for data protection to foster consumer confidence (Okorie, 2024; -, 2024). By ensuring that customer data is secure, brands can mitigate risks associated with data breaches, which can severely damage consumer trust.

2.User Control Over Personal Data: Providing consumers with control over their personal data is a critical strategy for enhancing trust. Allowing users to opt out of personalization systems at any time empowers them and reinforces their autonomy in managing their information (Yürük, 2021; Brinson & Britt, 2021). This approach aligns with consumer preferences for transparency and control, which are essential for building long-term relationships.

3.Avoiding Invasive Personalization: Marketers should be cautious about employing personalization tactics that may be perceived as invasive, particularly those that rely on non-transparent third-party data sources. Research indicates that consumers are more likely to react negatively to personalization that feels intrusive, which can lead to a loss of trust and increased ad-blocking behaviors (Brinson & Britt, 2021). Instead, brands should focus on building direct relationships with consumers to gather insights that inform their marketing strategies without infringing on privacy.

In conclusion, the implications for marketing practitioners are clear: transparency, relevance, ethical AI use, stringent data security, consumer control, and non-invasive personalization are fundamental to successfully implementing personalization strategies while maintaining consumer trust.

4. DISCUSSION

This section discusses the implications of the research findings regarding how personalization in digital marketing influences consumer trust. Interpretation of the results will be linked to marketing theory and previous studies, as well as providing recommendations for practitioners and contributions to digital marketing theory.

4.1 Interpretation of Findings

Based on the research results, Personalization in marketing has emerged as a double-edged sword, significantly impacting consumer trust. On one hand, when personalization is executed transparently and is relevant to the consumer, it can enhance trust in the brand. This aligns with the notion that transparency and consumer control over personal data are crucial for building trust in digital environments. For instance, research indicates that consumers are more likely to trust brands that openly communicate their data usage practices and provide options for data control (Swani et al., 2021). This transparency fosters a sense of security, allowing consumers to feel more comfortable with personalized marketing efforts.

Conversely, if personalization is perceived as invasive or if it compromises privacy, it can lead to a significant erosion of trust. The Personalization-Privacy Paradox illustrates this phenomenon, where consumers desire personalized experiences but simultaneously harbor concerns about privacy violations (Fritz et al., 2017). This paradox necessitates a careful balance; marketers must ensure that personalization efforts do not overstep boundaries that consumers deem acceptable. Studies have shown that when consumers feel that their privacy is at risk, their trust in the brand diminishes, leading to negative perceptions of the personalization efforts (Busser & Shulga, 2019).

The acceptance of personalized marketing strategies hinges on perceived usefulness and ease of use. If consumers perceive that the benefits of personalization outweigh the risks, they are more likely to embrace these strategies. However, if the personalization feels forced or overly intrusive, it can trigger skepticism and distrust (Fu et al., 2023). Therefore, marketers must provide clear explanations of how personalization works and the benefits it offers to consumers, thereby reinforcing trust while respecting privacy concerns. In summary, the relationship between personalization and consumer trust is complex and multifaceted. Effective personalization strategies must prioritize transparency and consumer control to build and maintain trust. At the same time, marketers must navigate the delicate balance between delivering personalized experiences and respecting consumer privacy to avoid undermining trust.

4.2 Managerial Implications

These findings have important implications for companies seeking to implement personalization strategies ethically and effectively.

Recommendations for Ethical Personalization Strategy Development:

- Transparency as Foundation → Brands must clearly explain how customer data is used and give customers the option to set their preferences.
- Application of Data Minimization → Only collect data that is truly necessary to improve the customer experience, not for purely business purposes.
- Using Consent-Based Personalization → Using approaches opt-in, where consumers actively choose to receive a personalized experience, was bannedContrast the default approach which may feel pushy.

Best Practices to Increase Consumer Trust:

1. Targeted Relevance → Make sure that personalization really suits customer preferences and needs so that it doesn't come across as spamming.
2. Strict Data Security → Implementing technology such as blockchain for customer data management can increase customers' sense of security.
3. Incremental Personalization → Brands can introduce personalization in stages, starting at a more general level before getting to the point hyper-personalization, sso customers feel more comfortable.

4.3 Theoretical Contributions
This research contributes to related literature consumer trust, personalization, and digital marketing with some new insights:

1. **Confirming the Importance of Trust-Building Mechanisms in Personalization**
   ○ This research strengthens previous theories that consumer trust can be increased by transparency and control over personal data.
   ○ It was found that perceived intrusiveness plays a large role in lowering trust, leading to the need for a balance between comfort and privacy.
2. **Developing a Conceptual Model of the Relationship between Personalization and Consumer Trust**
   Based on the research findings, a new conceptual model is proposed:
   Moderating Effect of Transparency and Intrusiveness on Trust in Personalized Marketing
   ○ High transparency + high relevance → Increase trust
   ○ Low transparency + high relevance → Arouse suspicion
   ○ High transparency + high intrusiveness → Increased discomfort
   ○ Low transparency + high intrusiveness → Completely erodes trust
3. This model can serve as a basis for future research to explore how personalization can be adapted to be more effective in building trust.

4.4 Limitations & Future Research
Although this study provides valuable insights, there are several limitations worth noting. This study is based on a systematic literature review (SLR), so it cannot conclude a direct causal relationship. In addition, the analysis carried out only focuses on academic literature without considering real business case studies or direct insights from industry players. To overcome these limitations, future research could consider several approaches.

First, experimental studies can be conducted to test how consumers react to different levels of transparency and personalization in digital marketing. This experiment will help understand more clearly the causal mechanisms related to consumer trust. Second, industry-specific analysis could be a focus for future research, given that the impact of personalization may differ across sectors, such as e-commerce compared to financial services. By researching specific cases, the findings can be more relevant and applicable to each industry.

In addition, AI ethics-based approaches are also an important area for further exploration. The study of how the principles of ethics and fairness in artificial intelligence influence the level of customer acceptance of personalization can provide a new perspective in the development of more responsible digital marketing strategies. By addressing these limitations, future research is expected to provide deeper insight into how personalization can be optimally applied to increase consumer trust without compromising customer privacy.

5. CONCLUSION
This research succeeded in identifying key factors that influence consumer trust in the context of digital marketing personalization. Transparency in data usage, relevance of content tailored to individual needs, and a feeling of secure privacy are key factors that build consumer trust in brands. Conversely, personalization that feels too intrusive or aggressive can lower trust levels, especially when consumers feel that their data is being used without consent or sufficient explanation. The findings also highlight the importance of striking a balance between appropriate personalization and consumer privacy in efforts to build healthy, long-term relationships between brands and customers.

5.1. Practical Implications

This research provides critical insights for marketing practitioners in designing personalization strategies that are not only effective, but also ethical. The best practices identified, such as giving consumers more control over their data, maintaining transparency in communications, and using incremental personalization can form the basis for marketing strategies that build trust. By prioritizing customer data security and avoiding aggressive use of data, companies can strengthen relationships with customers and increase their loyalty.
Academic Implications:

Academically, this research enriches the literature on consumer trust in the context of digital marketing and personalization. These findings expand our understanding of how AI and automation influence consumer acceptance of personalized experiences. This research also proposes a new conceptual model linking levels of transparency, intrusiveness, and relevance to consumer trust, which can serve as a basis for further research in this area.

5.2. Future Research Directions

Future research could explore several areas not fully answered by this study. First, direct experiments that test how consumers react to different levels of transparency and intrusiveness in personalization could provide deeper insight into the causal relationship between the two factors. Second, specific industry-based research is needed to identify how personalization is being received in different sectors, such as e-commerce, banking, or healthcare. Third, researchers can focus on the ethical aspects of AI and how this new technology influences consumer perceptions and beliefs in the context of digital marketing personalization. Overall, this research paves the way for more in-depth studies of ethical personalization, and its impact on trust and long-term relationships with customers in the ever-evolving world of digital marketing.

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