



# The Transformation of Data Marketing: How an Ethical Lens on Consumer Data Collection Shapes the Future of Marketing

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**Abstract:** With a mass of customer data at our fingertips and the ability to use it to individualize promotion strategies, marketing communications, and product offerings, marketing activities are becoming more and more tailored to the individual customer. However, as concerns about online privacy and the handling of personal data take on an ever-increasing significance, marketers must increasingly evaluate and adapt their personalization and data collection methods. As a result, there is an increasing demand to take a critical look at the collection of data for personalization processes from an ethical perspective and to consider implications for further initiatives to maintain consumers' trust. This research study utilizes a systematic literature review approach to investigate the current state of knowledge on the tradeoff between personalization and customer privacy by synthesizing and integrating extant knowledge. From the results of the present study's search process, 20 articles were selected and analyzed for this review. Findings emphasize the importance of strengthening consumer relationships by increasing consumer trust, loyalty, confidence, and emotional attachment through specific organizational activities. The adaptation of marketing-related activities can thereby create a competitive advantage for data-collecting companies, as consumer backlash and privacy concerns decrease, and the willingness to disclose data increases. The current research contributes to the field of marketing by reviewing the issue of increasing personalization at the cost of customer privacy and explores how the resulting ethical considerations may affect the future of marketing practices. It thereby serves to help marketers to implement effective strategies to ensure customer relationships and the resulting willingness to disclose personal data for personalization processes.



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## 1. Introduction

Advancements in technology, data, and analytical processes are giving marketers ever more opportunities to create increasingly personalized and tailored advertisements as well as messages for customers [1]. The digital transformation, through the rise of e-commerce and the omnipresence of big data, is not only driving businesses to execute their transactions digitally but is also having an enormous impact on consumers' expectations and behaviors by enabling more transactions and purchases to be conducted digitally [2]. The use of data gathering technologies, as well as AI technologies and data mining, thereby becomes more widespread for marketing purposes in order to provide users with increasingly tailored offers online. As personalization in marketing poses one of the fastest growing advances and will therefore influence and shape the future of marketing to a large extent following such quickly evolving advancements, there are also negative facets that need to be addressed and critically considered. Increasing personalization for marketing purposes is impossible if marketers do not have access to customers data, as they will not be able to understand their needs and preferences, thus unable to tailor marketing messages to increase their effectiveness. However, with customers expressing concerns about the

collection and use of their data, and becoming reluctant to disclose data in exchange for personalized offers, marketers are increasingly faced with the task of managing customers' concerns and restoring their trust to be able to collect even more data [3,4]. However, when more and more consumer data is being collected and analyzed, what are the ethical concerns and conclusions, and how do they affect the following regulations for future marketing activities?

For most personalization processes and experiences, big data such as geolocation, source, buyer persona, or buyer status are made use of to draw inferences on customers' needs and preferences [5]. Marketing messages are thereby adapted to customers using provided information by utilizing different media channels and tactics. This means that for the greater personalization and tailoring of communication and messages, a greater amount of user and customer data has to be collected, as only with enough personal online data does behavioral targeting and tailored advertising become possible [6]. This is where people's online privacy comes into play. The extensive gathering of information from users' activities to personalize advertisements and communication activities can greatly intrude customers' online privacy [4,7]. However, when exactly is data gathering for marketing purposes considered an intrusion of customer privacy and what does that entail for future marketing regulations? As current research on personalization and customer privacy does not propose a clear perspective for future practices on data gathering for marketing activities, this systematic literature review serves to generate an overview on the current state of knowledge regarding the tradeoff between personalization and customer privacy by synthesizing and integrating extant knowledge.

This systematic literature review was conducted to identify the ethical implications of collecting customer data for online advertising personalization and to explore how companies can mitigate them. Its aim is thereby to highlight multiple opportunities for marketers through which they are able to strengthen their company's corporate social responsibility as well as increase customer trust in the company's ethical and data collection practices. The motivation underlying this research study is thereby to provide several implications for marketers in order to establish a starting point for the transformation of how marketing will be conducted in the future. In this way, this research aims to draw attention to the growing need for companies to consider and adapt their marketing activities to ensure their continued success in an evolving market environment.

In contributing to the theoretical debate on the issue of increasing personalization at the cost of customer privacy and to discover how these ethical considerations may affect future marketing activities, this systematic literature review addresses the following research question: "To what extent do the ethical implications of collecting customer data for the personalization of online advertisements impact data collection practices and thus shape the future of marketing activities?"

### *1.1. Personalization*

As the world of marketing becomes more and more complex, marketers are finding new ways and practices to both achieve their goals and optimize their business operations. Along with the ever-increasing possibilities of the online environment that marketers can use for their operations and marketing activities, customer expectations of the services they receive are also changing. With the move away from a one-fits-all approach, enhancing the customer experience of each individual customer is becoming increasingly important as marketing communications and product offerings are being customized to the individual customer. According to Chellappa and Sin [7] (p. 181), this personalization of marketing activities can be defined as "the tailoring of products and purchase experience to the tastes of individual consumers based upon their personal and preference information". Personalization is widely used in e-commerce and is a helpful tool for many online vendors to increase their turnover [8]. In doing so, by "specifically selecting content, in the sense of Web page or other digital content, for individual customers based on properties of the customer", personalization can increase the revenue of a platform by improving the

likelihood of sales [8] (p. 8). Using customer relationship management tools and data mining techniques to collect and analyze information about customers and both their preferences and needs, customer profiles can be created by online vendors to tailor products and services to a specific consumer profile [9]. Ever more developed tracking and database technologies enable marketers to optimize their understanding of customers and translate gathered insights into their offerings as well as into the presentation of their products and services [10]. Using collaborative filtering, data mining, and click-stream analysis, marketers can now customize their activities on an individual level as a one-on-one approach to marketing through real-time consumer tracking as well as through dynamic and atomized content generation to maximize their opportunities and enhance their provided customer services [10].

The true benefit of the personalization of marketing activities is thereby ultimately reflected in an increased customer experience. The value of personalization for customers ultimately depends on the fit of the products or services offered to customers and the convenience of it being delivered proactively. Through increasing customer satisfaction by improving customer interfaces and tailoring shopping experiences based on customer data, personalization in e-commerce is used to influence and ultimately increase the purchase behavior of customers [11]. According to Ralph and Parsons [11], automating the customization of interfaces based on customer information can make it easier for customers to navigate through a vendor's online site while increasing their satisfaction with the interaction. According to Tam and Ho [10], these customized interactions reveal to be more enjoyable for customers and have proven to be more effective than a one-fits-all approach [12]. This one-to-one approach improves the interaction between customers and vendors, and enhances provided services, information, and support [13].

However, this process of the personalization of marketing activities to increase customer experience largely depends on two important factors. According to Chellappa and Sin [7], besides the necessary ability of the marketer to acquire and analyze consumer information for the further evaluation of data, it is also necessary that consumers be willing to share their personal data in order to be able to benefit from personalized services based on the provided information. However, as not every consumer is willing to disclose their personal information for personalization purposes, concerns about online privacy and the handling of personal data take on an ever-increasing significance.

### *1.2. Data Privacy*

In being offered an endless amount of opportunities, businesses are able to access a diverse array of tools including online shops, auctions, businesses, and platforms to reach an ever-increasing number of people and to expand their reach through global networking [14]. For the services they provide, large amounts of personal information about their customers are collected to determine customer demands in order to create effective advertising programs [15]. However, many users are unwilling to share huge amounts of information about themselves on the internet. Although the benefits gained through their sharing of information are valuable and it is simply not possible to perform personalization processes without first collecting data, privacy concerns prevent many users from sharing and providing their personal data [7]. Due to this, as the possibilities of the internet increase, so do consumers' concerns about the collection of their personal data [16].

Users concerns about the collection of personal data especially include the occurrence of errors during the handling, analysis, or storage of data; the possible secondary use of user data; and the unauthorized access and dissemination of personal data [17]. Apprehensions about the increasing collection of data during customers' online activities are furthermore not reduced, as the number of databases continues to grow, the volume of collected data continues to increase, and consumers perceive to progressively lose control over their data [18,19]. According to Ralph and Parsons [11], these ever-increasing amounts of collected data and storage technologies lead to an unmanageable amount of possibilities,

causing dissatisfaction on the part of the consumer. In contrast to normal retail conditions, information is collected and analyzed constantly in the online environment, making it unclear for customers what data is being collected and what it is ultimately used for [16].

As the availability of customer data is of high importance for online businesses to ensure their success, consumer concerns must ultimately be addressed and critically considered [14]. Rising consumer concerns about protecting their online privacy have far-reaching negative consequences for e-commerce and online businesses. With privacy concerns causing users to refrain from sharing information online or conducting online transactions, many businesses suffer as incomplete customer databases lead to inaccurate targeting, wasted personalization efforts, and frustrated consumers [14]. To avoid these disadvantages, online businesses need to prioritize the protection of consumer data and the trust between the consumer and business [14].

Privacy in this respect has already been defined as “the desire of people to choose freely under what circumstances and to what extent they will expose themselves, their attitude, and their behavior to others” [20] (p. 890). However, since internet users leave digital footprints almost everywhere when browsing online, their behavior and preferences can easily be obtained, shared, and used [21]. It seems clear that due to expanding technological capabilities and increasing risks, consumers must be given the choice to self-determine, control, and allow access to their personal information [22]. However, as Milne, Rohm, and Bahl [22] propose, this can only be achieved if preventive actions are taken by businesses, policy makers, and ultimately consumers, themselves, to protect data. Yao, Rice, and Wallis [23] add to this matter, stating that for sufficient online privacy, users must have autonomy of decision-making and the ability to control the flow of personal information. Then, there is the question of what needs to occur for users to offer their data and when it is appropriate for organizations to collect personal data for personalization processes.

### 1.3. Ethical Considerations

As the trade-off between personalization and data collection for marketing activities is a very sensitive issue for consumers, this systematic literature review also includes the ethical considerations regarding this issue. According to Strycharz, van Noort, Helberger, and Smit [24], a threat to their privacy can trigger not only legal but also ethical concerns on the side of consumers. As consumers relinquished control over their personal information, it is increasingly contemplated regarding under which circumstances the collection of personal data for marketing processes can be ethically justified as the resulting information asymmetry gives those in possession of personal data power over the consumer [24]. Given the fact that consumers are made vulnerable by the collection of personal data and are exposed to high risks through possible tracking and analysis of their data, it is all the more important for consumers that companies act ethically with regard to their data collection processes [25]. As emphasized by Martin and Murphy [26], the personalization of advertisements and other marketing activities has also a negative connotation in addition to the benefits of customized messages and services, as well as individualized offers. Being exposed to potential privacy invasion, fraud, or unwanted and highly obtrusive marketing activities often has a negative connotation for consumers and leads them to withdraw from data disclosure activities [26]. Mpinganjira and Maduku [25] justify this with the virtue ethics theory, which states that the way a brand engages in data collection processes affects its ethical reputation among its customers. In this context, companies engaging in activities perceived as unethical by their consumers are damaging important customer-brand relationships [25]. Since the literature on this issue is relatively broad and does not provide a basic course of action for marketers, it is necessary to summarize and synthesize findings from literature and elaborate on what this means for the future of marketing practices.

Efforts are thereby made to fill the research gap on how companies need to manage their customer data and position themselves in relation to their customers' rights in order to sustain successful personalization activities in a changing market environment. This

literature review therefore serves to address the unsettled issue of how data collection for personalization activities can be justified and made more appealing to consumers.

Furthermore, this systematic literature review of ethical perspectives on the use of personalization processes seeks to present various activities for marketers to migrate the ethical implications of collecting customer data for online advertising personalization. This comparison and identification of possible technical and legal measures for organizations serves to further close the gap in our understanding of the topic.

## 2. Materials and Methods

As for the methodology of this research, in order to gain insights into the ethical implications of collecting customer data for the personalization of online advertisements and its impact on data collection regulations, a systematic literature review of articles was conducted. This literature review thereby serves to provide valuable insights into subject areas through the synthesis of literature as well as through the systematic and critical evaluation of the reviewed literature [27]. By making ideas and assumptions clearer and more explicit, a systematic literature review is often seen as an efficient, reproducible, and objective way to synthesize the data under study [28,29]. This systematic literature review focuses on the ethical implications of collecting customer data for the personalization of online advertisements and its impact on data collection regulations. As there is a large amount of literature on the use of personalization processes for marketing purposes, a systematic literature review was used to identify, select, and critically appraise research in order to answer the previously established research question of this study [30,31].

A systematic literature review is particularly well suited for this research because of its key principles. Especially because of its transparency, integration, and its particular focus, a systematic literature review is well suited to conduct comprehensive and transparent research in order to provide a specific focus and answer a defined research question [32]. In the following section, a precise description of how this systematic literature review was conducted will be provided. By presenting this study's inclusion and exclusion criteria, it can be guaranteed that possible bias is minimized and decisions are made transparent [27].

### 2.1. Inclusion Criteria

As the search for suitable articles on the topic of interest collected a huge amount of documents to be filtered and reviewed, inclusion criteria for the search process were proposed. These criteria were established prior to the start of the data collection and were used to undertake a highly focused search for relevant literature. For this review, first, a number of keywords relating to the topic of the ethical implications of collecting customer data for the personalization of online advertisements were identified. The keywords "personalization", "online privacy", "ethics", "marketing", and "privacy regulations" were used for the selection of papers. In order for papers to be included in this study, those keywords needed to be found in the title of the paper, in its abstract, or in the paper's keyword list. As a result, an initial filtering of the papers ensured that the papers were reasonably relevant to the intended research topic. Secondly, after a first-filtering of papers according to the previously discussed keywords, found papers were examined on the database in which they were published. To guarantee the quality of the included papers, only papers published in the databases of Web of Science and Scopus were considered for this study. This decision was made considering that papers published in these databases are generally regarded as being of higher quality by the academic community. Lastly, the initial search process entailed the filtering of papers based on their source. This way, only papers published in academic journals were included for this study. As only publications from peer-reviewed academic journals were included for this systematic literature review, papers published in books, book chapters, conference proceedings, and "grey literature" were left out. The resulting first search process, using the presented initial search criteria, yielded ( $n = 199$ ) articles. Due to this great amount of literature found, despite the criteria used, a further narrowing of articles was made to reduce the number of articles to be analyzed

and to further specify the focus of this research. The objective was therefore to identify and analyze only the most appropriate and relevant literature on the ethical implications of the collection of customer data for personalization purposes. For this purpose, a number of exclusion criteria were specified during the next step of this research.

## 2.2. Exclusion Criteria

After conducting the first search of articles using the previously established inclusion criteria, found articles were further evaluated based on criteria for exclusion. By specifying a search timeframe for this review, articles published before the year 2019 were excluded from the corpus of the analysis. This way, the question as to what extent the ethical implications of collecting customer data for personalization purposes impact data collection regulations and thereby shape the future of marketing activities can be answered by including fairly recent insights in literature in order to reflect the current state of the knowledge provided. By only selecting articles published between the years 2019 and 2021 for a further round of review, it was therefore possible to create an up-to-date focus for this research that would capture and address the most current developments in personalized online marketing. In addition to that, only articles in the English language have been included for this systematic literature review. Articles published in other languages such as French, Spanish, and German were therefore excluded from the body of analysis. This extended the refinement of the article search by applying the additional exclusion criteria, further narrowing the number of articles to be considered ( $n = 59$ ). Table 1 lists the study's defined search criteria.

**Table 1.** Search criteria for the systematic article selection.

Inclusion Criteria	Filter
Database	Web of Science and Scopus
Year of publication	2019–2021
Language	English
Keywords	Personalization; online privacy; ethics; marketing; privacy; big data
Quality of journal	Peer-reviewed

Lastly, after a final thorough analysis of the found articles for this study, duplicates and papers not relevant for the context of this study were removed from the corpus of the analysis. Great care was thereby taken to only retain literature that addressed a purely ethical perspective on the trade-off between privacy and personalization in order to be very precise and accurate on the topic of interest [32]. The inclusion of literature with a precise focus on the topic of interest resulted in an analysis of 20 peer-reviewed articles. This resulting corpus of articles ( $n = 20$ ) was then analyzed by a thematic coding of the articles and the findings of the analysis were both summarized and synthesized to comprehensively present the results of this study's systematic literature review.

## 3. Results

### 3.1. Summary

The analysis conducted on the 20 articles served to provide some valuable findings. In the following section, a descriptive summary of the analysis is provided by listing the broader topics covered by the articles analyzed. The articles in question all used a fairly similar structure to ultimately address the issue of marketing practices for data gathering purposes in personalization processes and to explain both different managerial and practical implications that should shape and optimize the future of marketing. In each case, however, the articles started by highlighting the problem of excessive data collection for personalized processes and the associated consumer privacy concerns. Furthermore, after this problem description, all articles began to assess possible causes for arising privacy concerns and subsequent restrictions from data sharing. These often included personal antecedents

of online users, characteristics of online vendors or platforms, or even psychological and social science-based theories. Furthermore, an ethical perspective on the collection of personal data was often included. Although the articles in discussion have partly examined very specific parts of the personalization process for marketing activities or have even covered personalization processes on different platforms, following the methodological aspect of the articles, important and diverse insights regarding perspectives on future practices on data gathering for personalization purposes have always become evident.

Firstly, during the analysis, it became apparent that, frequently, several theories have been used in these articles to serve as a theoretical foundation. The theories used in this context are, on the one hand, theories that explain customers' privacy concerns and behavior regarding their data disclosure behavior. On the other hand, they are theories about the ethical foundations of customers' disclosure behavior regarding their personal data. Theories related to social sciences and psychological foundations include the power-responsibility equilibrium theory [33–35], the privacy calculus theory [36–38], the corporate privacy responsibility theory [34], the justice theory [35], the social exchange theory [35], the reactance theory [35], and the gamification theory [39]. Theories mentioned by the authors concerning ethical foundations include the deontological ethics theory [17], the virtue ethics theory [17], and the consequential ethics theory [17].

In addition to this, the authors' justification of why it is important to analyze the implications of collecting customer data for the personalization of online advertisements are quite similar. Through the conducted literature review, it has become clear that the authors generally aim for the same outcomes of their specific marketing practices concerning consumer data collection. It was found that strengthening consumer relationships through certain consumer data collection practices is particularly important [34]. Along with this, the authors also emphasized the importance of increasing consumer trust, loyalty, confidence, and emotional attachment through specific activities [33,40–42]. Accordingly, the adaptation of marketing-related activities should create a competitive advantage for data-collecting companies, as consumer backlash and privacy concerns decrease and the willingness to disclose data increases [33,34,36,38,43].

Although all the articles included in this literature review focused on the progression of marketing activities through personalization and the associated consumer concerns, some partly touched on quite different aspects of the personalization process within the use for marketing. While most articles were based quite broadly on the overall perspective of data gathering for personalization purposes and its implications for marketing practices, several articles adopted a more detailed view on this topic. Liyanaarachchi [43] places particular emphasis on the privacy paradox based on national culture and thereby highlights that user culture is a crucial element in creating and maintaining the privacy paradox, emphasizes the need to develop a consumer-centric approach to privacy, and introduces an initial scanning of customer privacy concerns in order to establish a solid basis for a company's privacy control measures. In contrast to this view of consumer culture, Labrecque, Markos, and Darmody [44] adopt a more educational view on the perspective of data collection for personalization purposes in marketing. They claim that there is an information privacy gap in marketing education and that it is important to put more emphasis on the education of future marketers in order to instill an ethical management approach to consumer data and thus fundamentally change the future of personalization in marketing [44]. Additionally, Rejeb, Keogh, and Treiblmaier [41] see blockchain technology as an important aspect for future marketing practice. According to these authors, blockchain technology will change consumer relations by increasing a company's transparency. In doing so, Rejeb, Keogh, and Treiblmaier [41] suggest that improved privacy and security through this technology will lead to greater consumer acceptance and data disclosure as consumers' desire for control over their personal information is satisfied. In this context, Watson and Nations [45] address a growing need for algorithmic transparency in marketing in their article. According to them, greater transparency regarding the use of personal data and algorithms by companies for personalization and marketing purposes can lead to improved

customer satisfaction, as the way in which personal data is collected becomes more open and transparent [45]. Zhang, Wang, and Hsu [42], however, delve into greater detail on the use of and compliance with the GDPR, and thereby argue that a voluntary GDPR adoption by companies, as well as a privacy statement, has a highly positive impact both on customer information disclosure behavior and on their trust in the company. Bidler, Zimmermann, Schumann, and Widjaja [39] propose another way to reduce consumer privacy concerns. These authors stress the option of using relevance-illustrating game elements for higher consumer willingness to engage in data disclosure. By using game elements to affect consumers' psychological states, Bidler, Zimmermann, Schumann, and Widjaja [39] therefore propose that this increased ease of illustrating the ways in which consumer data is used will ultimately enhance the processing of this information by customers, leading to decreased privacy concerns. In contrast to the majority of articles proposing activities to mitigate privacy concerns and increase data disclosure, the article by Xie, Chen, and Guo [46] addresses the negative impact of online anthropomorphism uses on increasing consumer privacy concerns. In doing so, they specifically highlight that, similar to other marketing-based activities and practices such as location-based marketing services, the use of online anthropomorphism can greatly increase consumer privacy concerns if used incorrectly [46]. They emphasize the extreme importance of correct and well-thought-out marketing actions and call for more consideration in the choice of marketing practices in relation to consumer data collection.

### 3.2. Synthesis

Although the articles analyzed for this systematic literature review presented a relatively similar attitude to the perspective on data gathering for personalization purposes and its implications on both marketing regulations and practices, in the following section, a synthesis of the findings will be proposed to bring together findings from these studies. Thus, key themes of discussions as well as aspects in which studies pose different and opposing opinions will be identified. The studies under inspection dealt with quite similar key themes in their review of marketing implications with regard to consumer data gathering for personalization.

Ethical aspects, such as implications for marketing practice, based on the findings from this literature review are very wide ranging. This includes, first and foremost, the adherence to ethical as well as moral standards and values for the collection of consumer data [17,33]. It has thus been stressed that the adherence to minimal ethical standards of information usage, storage, and collection, which should extend the legal boundaries of data handling, is of great importance in gaining consumer trust [33]. According to Mpinganjira and Maduku [17], the adherence to ethical boundaries is particularly important in this regard, as practices for which consumer activities are tracked and analyzed entail a number of ethical issues and make consumers particularly vulnerable. As unethical perceptions about businesses can have a particularly detrimental effect on customer–brand relationships, it is particularly important for brands to act ethically and make their customers feel comfortable in order to encourage interaction with them [17]. As the conducted literature search and review have shown, this can be ensured by a wide variety of actions and tactics.

By expressing information sensitivity and adhering to social boundaries, companies can express high levels of responsibility and receive high levels of recognition from their consumers through presenting greater corporate social responsibility [36,38,47]. By taking a consumer-centric approach to marketing activities related to data collection for personalization processes, firms can thereby promote consumer privacy empowerment through co-ownership; can scan of privacy and consumer control concerns; can identify dynamics in customer privacy behavior; and can strengthen customer confidence in the firms' ethical practices [17,33,43,47]. Showing concern for the consumer and the demonstration of ethical and moral responsibility has the potential to build an emotional connection with consumers, to strengthen trust in the firm's data collection practices, and to maintain a positive reputation [36,47]. To position themselves ethically, the authors emphasize that these



organizational practices require a number of implications to be effectively incorporated. Firstly, a company can take legal aspects into account in order to mitigate consumer privacy concerns and increase the likelihood of data sharing. According to the authors, a voluntary adaptation of the GDPR into the organization's actions with regard to personalization and data collection practices; the display of privacy policies; a company personalization statement explaining the use of data for personalization processes; or a re-evaluation of its current privacy practices can make consumers more trusting of a company and ultimately more willing to disclose personal data [42,45,48,49].

Technical implications in data gathering for marketing personalization processes from the articles under study have been found to be quite different in their approach. In particular, implications regarding user-friendliness were mentioned as an important factor for decreasing privacy concerns. The call for user-friendly privacy controls thereby also includes the demand for the accessibility of privacy rules for consumers [17,40]. The authors call for greater transparency regarding the actions and practices of companies with regard to their data collection and processing. Furthermore, authors also demand algorithmic transparency, as well as privacy notifications for consumers. By increasing awareness and knowledge on the part of consumers about what types of algorithms are being used to draw inferences from their data and when exactly data is being collected, not only should the transparency of data collection increase, but also the trust of consumers in the organization's actions [38,45,48,50]. Other technical aspects that have been mentioned are the need for a robust technological infrastructure and the appreciation of privacy innovations [36,41]. It is thus demanded that technologies used for data collection, storage, and further processing are constantly improved in order to guarantee a secure handling of the customers' data. This certainty about the safe handling of personal data will subsequently be reflected positively in customer attitudes towards data collection. With regard to the demand to appreciate privacy innovations, the highly beneficial option of using gamification elements for increasing consumer data disclosure has been mentioned by authors as a way to increase consumer trust in a data collecting brand [39].

The results of this analysis show that the ethical concerns of online users regarding companies' data collection processes can be mitigated through a range of trust-building activities. Authors of the articles analyzed for this review highlight the need for a consumer-centric approach that takes into account consumer needs and concerns about the handling of personal information. Although the approaches and perspectives of the articles analyzed for this study are quite different and diverse, it was ultimately found that the ethical implications of collecting customer data for the personalization of online advertisements can be mitigated by the various technical and legal implications mentioned. Assuming that these implications will be implemented in the near future to mitigate consumer privacy concerns and will continue to drive personalization processes, it can be strongly assumed that marketing practices will increasingly focus on building trust and showing corporate transparency by utilizing a consumer-centric approach to personalization.

## 4. Discussion

### 4.1. Contributions

The conducted systematic literature review has provided some interesting insights, which can be used to make several contributions to the field of marketing. This systematic literature review thereby served to provide several implications for marketers which may serve as a starting point for the transformation of how marketing will be conducted in the future. As this review has shown, the practice of personalizing marketing activities for users has a high potential in terms of privacy invasion and ethical considerations. In particular, as it was often highlighted, privacy concerns and concerns about the handling, storage, analysis, and disclosure of personal data trigger extreme ethical considerations on the part of consumers. To alleviate these ethical concerns and increase consumer trust, the need for strengthening customer relationships through the increased emphasis of a brands' responsibility becomes emphasized by this study's results. According to the analyzed

literature, trust, responsibility, and transparency act as important mediators to influence and, at best, increase consumer willingness to disclose data, and are therefore the most important starting points for marketers to adapt their personalization processes and align them with their customers' expectations. However, this review has also shown that it is not enough to simply "act ethically" to justify data collection for personalization activities. To achieve this, companies need to do more than simply present themselves as acting ethically. For consumers, actions are more important than promises. This research thereby draws attention to the growing need for companies to reconsider their marketing activities and more particularly to engage in a number of technical and legal actions in order to mitigate the ethical implications of the collection of customer data for the personalization of online advertisements. To ensure companies' continued success in an evolving market environment, it will become highly important for marketers to improve and enforce their companies' corporate social responsibility to strengthen their customer confidence in the firms' ethical practices and to increase customer trust in the organization's data collection practices.

#### *4.2. Academic, Practical, and Societal Implications*

Furthermore, the results of this conducted systematic literature review contain interesting insights for academic, practical, and societal purposes. According to this conducted systematic literature review, consumers are more likely to trust ethically acting corporations, making them more likely to provide personal data for personalization processes. However, it is not enough to position oneself as acting ethically. Since providing and sharing personal data is a very risky process for consumers and is associated with many uncertainties, organizations therefore need to convince consumers with their actions. This literature review has highlighted a number of implications for marketers concerning data collection processes for personalization purposes. Ultimately, the goal is to strengthen consumer trust in the company's data collection practices and maintain a positive corporate reputation. According to the results of this systematic literature review, a consumer-centric approach to marketing practices is most beneficial for marketers to adopt. Thus, promoting consumer privacy, adhering to ethical and moral norms and values, and presenting a high level of corporate social responsibility will ultimately result in greater consumer recognition and increased trust in the company's data collection practices. In light of the importance of corporate social responsibility, a voluntary alignment of legal standards to protect customers can also lead to increased trust in the company. The same applies to the technical standards of the company's data collection practices. A focus on user-friendliness, transparency of the data collection and algorithmic processes, as well as a secure handling of customer data are the first steps towards reducing customer privacy concerns. The view of marketing processes is changing the way marketing will be conducted in the future. It will most certainly require more attention of marketers concerning how corporations respectfully handle their customer data and position themselves with respect to their customers' rights. Positive and strong consumer relationships will therefore become increasingly important and corporations will have to work harder to earn the trust of their customers. In the long run, only those corporations that respond to their customer concerns and demands, and that translate their ethical requirements into action will succeed in creating and implementing successful personalization processes.

#### *4.3. Limitation and Future Agenda*

As with every research study conducted, this study has some limitations that must be addressed. Among the weaknesses of this study are certainly the limited body of research, as well as the complexity of making use of an ethical perspective on the trade-off between privacy and personalization. Firstly, regarding the limited body of research, it can certainly be emphasized that although the analysis of the 20 peer-reviewed articles has surely already generated a quite satisfactory overview, an even more extensive analysis of literature could have led to even more insightful results. In addition, the use of different or more specific

search terms could be employed to further narrow down the literature to be reviewed in order to elaborate more precisely on the topic. Furthermore, in relation to the body of research, the time frame for the included literature could be reconsidered. Due to the fact that this review covers a time frame from 2019 up to and including literature from 2021, it could be assumed that some implications might already be outdated by now. Therefore, due to rapid and fast developments of technologies and shifts in marketing activities, it could be considered whether the time frame for such a literature review could be defined more narrowly in order to ensure that the most recent contributions to the topic of interest are analyzed.

Regarding the complexity of an ethical perspective on the trade-off between privacy and personalization, it can be said that one limitation of this study concerns the limited literature that utilizes a purely ethical perspective of personalization processes for marketing purposes. In this study, it was experienced that articles on the trade-off between privacy and data disclosure for personalization in marketing almost always address ethical aspects but are rarely handled as a main topic of study. For subsequent studies, it would therefore be interesting to investigate whether articles that purely focus on the ethical implications of personalization come to different conclusions or whether they are consistent with the corpus of analysis examined in this study.

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