

**Customers' Privacy and Personalization: in the age of GDPR, what is the appropriate trade-off for ethical marketing decision-making?**

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**Abstract**

The aim of this study is to provide an inclusive analysis which sets the guidelines for ethical marketing while at the same time handles the ethical ramifications of data collection and use in accordance to the legislative framework that has been instituted. The present research employs the Systematic Literature Review (SLR) approach. Several articles have been selected and thoroughly examined to investigate; (1) the importance of preserving customers' privacy, (2) the emergence of personalization as a common marketing practice, (3) the ethical concerns that arise from the customer data collection and use, (4) the legislative framework of GDPR and (5) the way this framework affects marketing decision-making. The analysis yielded semantic practices (consumer, organizational, managerial and educational practices) that can be used as a guidance in order to counteract the effect of ethical concerns on personalization. It highlights practices that, if applied, can be considered as the optimal trade-off between personalization and data privacy as it respects the consumers' ethical concerns but allows also the personalization to fulfill its marketing intentions. The present SLR study offers key societal, and academic contributions. An inclusive and comprehensive theoretical foundation will be set for all the scholars who are interested in this subject. Also, theoretical and practical gaps and inconsistencies in literature will be outlined and will initiate future research on the topic of interest.

**Keywords:** privacy, personalization, GDPR, marketing decision-making

## **1. Introduction and Objectives**

The Cambridge Analytica scandal (Hinds et al., 2020) along with the ever-increasing amount of personal data collected daily by digital stakeholders have raised ethical concerns regarding the customers' privacy (Kounoudes & Kapitsaki, 2020). On top of that, the general marketing practice of creating personalized content in the name of user involvement highlights the importance of finding the appropriate trade-off between users' privacy and personalization (Golbeck, 2017).

The recently introduced General Data Protection Regulation (GDPR) constitutes a legal framework which issues guidelines in regard to the collection, use and processing of personal data (Kounoudes & Kapitsaki, 2020). In that way, user rights' are not only protected but also fortified in the face of those who want to leverage these rights for private economic purposes (Kounoudes & Kapitsaki, 2020). But, how will these legislative regulations affect marketing?

Despite the importance of this posed issue, there is still not an inclusive analysis which sets the guidelines for ethical marketing while at the same time handles the ethical ramifications of data collection and use in accordance to the legislative framework that has been instituted. This study aims to interconnect these two perspectives between personalization and ethics. On one side, this study provides an inclusive overview of the benefits and drawbacks of personalization. On the other side, it highlights the ethical concerns that arise through personalization practices and results in the optimal trade-off between these perspectives. Thus, the present research employs the Systematic Literature Review (SLR) and responds to the call of Marketing Science Institute by examining holistically: (1) the importance of preserving customers' privacy, (2) the emergence of personalization as a common marketing practice (3) the ethical concerns that arise from the customer data collection and use, (4) the legislative framework of GDPR, and (5) the way this framework affects marketing decision making. A SLR methodology will provide insights into the topic of interest collectively while it will also evaluate an extant body of research. Last, this method will result in forceful conclusions of what has already been researched and what is yet to be examined in this area. Based on that, one research question becomes fundamental: In the age of GDPR and the increasing importance of preserving customers' privacy, what is the appropriate trade-off between privacy and personalization, and what are the ethical ramifications of customer data collection and use? (MSI, 2020)

Previous SLR studies have thoroughly examined data security and privacy protection. Saura, Ribeiro-Soriano & Marques (2021) conducted a review examining the concepts of user generated data as well as data driven innovation in the context of data privacy. Also, Tikkinen-Piri, Rohunen & Markkula (2018) conducted a review of the GDPR practical implications and its influence on companies and consumers.

The present SLR study will offer key societal, academic and managerial contributions. First, this SLR will provide an inclusive and comprehensive theoretical foundation for all the scholars who are interested in this subject. Second, it will indicate theoretical and practical gaps and inconsistencies in literature that will initiate future research on the topic of interest. Third, consumer, organizational and educational practices will be proposed in order to address the pressing ethical issue of personalization and data privacy. Furthermore, managers can use this research as a reference guide in order to implement their future marketing practices ethically. Lastly, governments can develop services and new privacy policies based on this inclusive SLR.

## **2. Literature Review**

### **2.1. Privacy**

A multitude of scholars have tried to give an inclusive definition of the vague construct of privacy. It can be defined as the individuals' and companies' right to decide the way, the time, the place and the amount of information about themselves they want to share with others (de Jong et al., 2021).

Meanwhile, it is often stated that “marketing needs to be data-driven” (Bleier et al., 2020, p.466) because data constitute the foundation for business growth. They are also the driving force behind managerial decision making (Bleier et al., 2020). However, due to poor protection of data collected for marketing purposes, there have been alarmingly increasing incidents of data breaches that have raised concerns to many individuals as well as organizations. Therefore, it is of apparent importance for companies to set a protective frame around data privacy and set ethical data processing as a priority (Saura et al., 2021). On the one hand, in spite of the plethora of data breaches and concerns, it is noticed that people share their data voluntarily to companies and organizations in order to be treated with personalized ads that are specifically tailored to their needs (de Jong et al., 2021). On the other, data can be gathered involuntarily and without customer's authorization and permission via new technological tools such as facial recognition and location tracking (Martin & Palmatier, 2020), but also with the lack of privacy policies (Zeng et al., 2021) and even through online browsing (Bleier et al., 2020). In that case, consumers may also do not have the option to refuse data selection (Martin & Palmatier, 2020). Furthermore, firms can inappropriately distribute data to third parties without the customer's consent.(Zeng et al., 2021) These practices raise ethical concerns that pose new challenges to the privacy sector. These concerns can lead to consumer's brand avoidance (Shanahan et al., 2019), unwillingness to share personal information or use personalized services (Zeng et al., 2021), frustration, negative attitude, customer disengagement (Dhanya & Jaidev, 2019) and can also lead to direct loss of revenue, risk of litigation and data foreclosure for businesses (Bleier et al., 2020). Furthermore, privacy risks can lead to decreased consumer's trust in firms and organizations that collect data for the optimization of their services (Tikkinen-Piri et al., 2018). These ethical concerns can be combatted and reduced by handing over the control of personal information to consumers (Bleier et al., 2020). This practice can also lead to increased willingness to disclose more sensitive information and therefore leaving the consumers more exposed and vulnerable (Bleier et al., 2020).

For the sake of data privacy, a new legislative framework, the General Data Protection Regulation, widely known as GDPR, promises to handle and regulate these privacy issues (de Jong et al., 2021).

### **2.2. The marketing practice of Personalization**

Personalization constitutes a customer relationship management technique (Walker & Moran, 2019). Data-driven services and practices tend to increasingly offer personalized experiences. The first step towards creating an effective personalization strategy starts from data collection (Zeng et al., 2021).

There are various methods to collect customer data. The most common ones are cookies, surveys and orders (Zeng et al., 2021). These personalized experiences provide services based on customers' needs and preferences, demographics, purchase, search (Shanahan et al., 2019) and rating history (Martin & Palmatier, 2020). These practices provide a more efficient and smarter group targeting and seeks to reduce the amount of irrelevant advertisements and information overload (Strycharz et al., 2019). However, the type of display used (desktop or mobile) can affect significantly the attitude as well as decision-making of users towards such practices (Lamberton & Stephen, 2016). Personalization is widely used in

traditional social media (e.g. mail), mobile messaging as well as in websites through personalized ads (Shanahan et al., 2019). The value of personalization lies in the fact that personalized content is considered useful to the customers because it is tailored to their preferences (Zeng et al., 2021). Advanced technological tools, such as Artificial Intelligence (AI), machine learning and deep learning, are being leveraged by marketing decision makers to amplify and ameliorate personalization strategies (Shanahan et al., 2021). Such tools have the ability to understand underlying patterns from unstructured data and thus contribute in creating personalized content (de Jong et al., 2021).

Businesses that follow personalization practices enjoy competitive advantages. More precisely, prior research has proven that the use of personalized content increases consumer loyalty, retail sales (Zeng et al., 2021), brand awareness, customer satisfaction, customer retention (Krafft et al., 2019), continued usage (Albashrawi & Motiwalla, 2019) and higher response rates (Strycharz et al., 2019).

However, highly personalized ads can limit the variety of offered options for the consumer (Walker & Moran, 2019) and most importantly raise privacy concerns to consumers who lack the ability of understanding the data processes. Therefore, personalization can be considered as invasive and affect negatively the consumers who are exposed to this practice. It is a controversial issue that concerns everyone involved and needs further research. Last, it is worth mentioning that privacy concerns are significantly reduced when personalization practices are applied to B2B business rather than B2C. That is because no personal information is involved in order to target a company compared to an individual (Strycharz et al., 2019).

### ***2.3. GDPR and marketing decision-making***

Decision making is a very important determinant for effective marketing strategies (Anshari et al., 2019). In the context of technological advancements, such as Artificial Intelligence, decision making has become data driven and is rapidly becoming more increased than ever before due to big data analytics (Anshari et al., 2019). This fact has raised ethical concerns in regard to the data privacy of consumers who are being leveraged for marketing purposes. As a result, the need for new legislative data privacy framework lead to the introduction of General Data Protection Regulation (GDPR).

The recently introduced GDPR constitutes a legal framework which issues guidelines in regard to the collection, use and processing of personal data (Kounoudes & Kapitsaki, 2020). It was enacted in May 2018 and its main purpose is to support the EU citizens' privacy rights by ceding control over the collection, use and protection of their personal data (Bleier et al., 2020). GDPR regulates the data behavior of firms and organizations which handle personal data of EU residents, regardless of where their base is (Tikkinen-Piri et al., 2018). It promises to offer consistency in data protection processes to European firms and organizations (Tikkinen-Piri et al., 2018). According to GDPR, any information that can be used to trace directly (e.g. name, address) or indirectly (e.g. IP address) a natural person is considered as personal data (Bleier et al., 2020). In addition, GDPR obliges firms to provide a consent in regard to the usage of consumer's personal information. Violations of GDPR can result in fines towards the violator.

The core foundation of the new legislative framework is its principles; transparency and accountability (Tikkinen-Piri et al., 2018). More precisely, personal data need to be processed transparently in relation to the consumers. Accountability refers to the responsibility of the controller to comply with the GDPR provisions in regard to data processing (Tikkinen-Piri et al., 2018).

The introduction of the GDPR in the European market has caused a decrease in EU investments compared to US investments due to the strict regulations that have been imposed (Bleier et al., 2020). Moreover, the GDPR regulations will affect the innovative process of

Artificial Intelligence applications (Bleier et al., 2020). More precisely, they require a thorough explanation of the way automated algorithmic decisions are made. Therefore, GDPR introduces accuracy and transparency in the new privacy policies.

#### **2.4. Personalization - Privacy Paradox**

Data privacy constitutes a complex issue which requires a core understanding of trade-offs and compromises. The steadily increasing amount of data breaches as well as the growing demand for personalized content creates a personalization – privacy paradox (Martin & Palmatier, 2020). More precisely, consumers are concerned about data privacy issues but they are paradoxically willing to share their personal information (Martin & Palmatier, 2020). Significantly, more than 70% of consumers report feeling disappointed when the services are not personalized to their needs while the same percentage of consumers report concerned for data related issues (Martin & Palmatier, 2020). These results reveal that consumers enjoy and actively seek personalized services but at the same time they express concerns related to sharing their personal data. This paradox has also concerned scholars who try to find the optimal trade-off between privacy and personalization in order to solve this tension. As a result of this paradox, the creation process is impeded for both consumers and organizations (Martin & Palmatier, 2020).

Against personalization – privacy paradox, prior research has showed that consumers are just not aware how their data are being used and are also incapable of protecting themselves. Another possible explanation is that consumers feel that they have no real choice but accept the current situation of their data being mined for marketing purposes (Eskens, 2019).

### **3. Method**

To comprehend the topic of customer’s data privacy and personalization as well as the ethical concerns surrounding marketing decision-making, a Systematic Literature Review (SLR) was conducted. The deliberate choice of conducting a SLR aims to provide “collective insights through theoretical synthesis into fields and sub-fields” (Tranfield, Denyer & Smart, 2003, p.220). Furthermore, a SLR constitutes the most appropriate method for systematically and critically evaluate the extant literature on a topic of interest, which increases validity and minimizes bias (Christofi, Leonidou, & Vrontis, 2017; Palmatier, Houston, Hulland, 2018) . In that way, forceful conclusions can be drawn of what has already been researched and what is still unknown and obscure in an area or subject (Denyer & Tranfield, 2009).

#### **3.1. Search Protocol**

##### **3.1.1. Article Search Process**

The subject of the present SLR is focused on the controversial subject of finding the appropriate trade-off between customers’ privacy and the common marketing practice of creating personalized content. After selecting the research question posed from MSI 2020-2022 Research Priorities, “ *In the age of GDPR and the increasing importance of preserving customers’ privacy, what is the appropriate trade-off between privacy and personalization, and what are the ethical ramifications of customer data collection and use?* (MSI, 2020), the inclusion and exclusion criteria were determined. The inclusion criteria included (1) identifying the search engines, (2) specifying the keyword searches, (3) determining the search timeframe. The exclusion criteria entailed (1) the type of publication and (2) the language that the publication was written. As a last step, the set of articles that was generated from the inclusion and exclusion criteria was further eliminated after selecting only the relevant articles with a marketing focus on customers’ data privacy and personalization.

##### **3.1.2. Inclusion Criteria**

First, the scientific search engines of Google Scholar, Scopus and Semantic Scholar were utilized in order to find relevant literature. Second, the inclusion criteria of this research contain keyword searches such as “marketing”, “GDPR”, “personalization”, “personalized content”, “user privacy”, “data privacy” as well as combination of the research terms. Last, 2018 - 2021 will be the search timeframe of this SLR study. 2018 was chosen as the starting point of this research due to the emergence of the Cambridge Analytica scandal during this year which initiated the controversial discussion around data privacy and generated the GDPR (Houser & Voss, 2018). The initial search criteria resulted in (n=20,500) articles.

### ***3.1.3. Exclusion Criteria***

The initial list of articles was further evaluated based on the exclusion criteria. First, articles which were not peer reviewed publications were excluded from the list. Second, only articles which were written in English language were included in the study. The exclusion criteria limited the list of relevant articles to (n=20) of peer reviewer articles.

### ***3.1.4. Selecting relevant articles with a focus on data privacy and personalization***

The use of inclusion and exclusion criteria helped in creating a list which serves the purpose of this research and addresses the topic of interest. This resulting list of peer reviewed articles was further narrowed down by reviewing the title, the abstract and the keywords of each article for the 20,200 articles to identify 111 articles. Last, the full text of these articles was also reviewed to guarantee that each article was focusing on either customers’ data privacy or personalization or both. As a result, a list of 20 articles was generated which is appropriate to be included in the present SLR study. The articles were published in the following journals: Industrial Marketing Management, Journal of Business Research, International Journal of Research in Marketing, International Journal of Information Management, Journal of Retailing and Consumer Services, Journal of Interactive Marketing, European Journal of Marketing, Journal of Marketing, Journal of Retailing, Applied of Computing and Informatics, Engineering, Journal of Marketing Education, Journal of Public Policy and Marketing, Journal of the Academy of Marketing Science, Information Systems Frontiers, International Journal of E-Services and Mobile Applications, Journal of Business Ethics.

## **4. Findings**

Appendix A reports privacy, personalization and data related constructs and their definitions as well as key findings respectively. These figures report collectively the role of these constructs in prior research. In total, 17 constructs have been identified. From them 11 constructs are related to privacy, 3 constructs are related to personalization and 3 constructs are related to data.

Appendix B provides further insight on the 20 articles (title, authors, journal, category, purpose, main concepts analyzed) that were used for the present study.

### ***4.1. The trade-off practices***

After a thorough examination of the papers that are included in this SLR study, a multitude of practices were identified in order to succeed the optimal trade-off between privacy and personalization and resolve data privacy tensions. The practices are threefold and are categorized into three sections. The first section is about practices that are relevant to the consumer, the second section is about practices that are relevant to firms, companies and organizations (managerial) and the third one is related to educational practices.

#### ***4.1.1 Consumer Practices***

Consumers should be responsible for their own data and think twice before handling their own personal information to another stakeholder. More precisely, the consumers should be “privacy active” and take explicit action to protect their own privacy and ultimately result in beneficial outcomes for both consumers and retailers (Martin & Palmatier, 2020). Also, consumers should find the balancing point between the benefits of personalized content and the privacy concerns. That means that consumers can exercise their rights that are related to data protection (Eskens, 2019). With the new legislative framework of GDPR, consumers have the right to delete their data. So, it is on consumers if they want to not engage in personalization from the beginning, stop personalization, continue to receive personalized content from different parties or just change their user profile preferences on which the personalization algorithm is based on (Eskens, 2019). Last, it is an apparent fact that there is a clear lack of education in ethics directly related to the Internet. Consumers should be properly informed and educated in the capabilities, dangers as well as limitations of the Internet (Palos-Sanchez et al., 2019).

#### ***4.1.2 Organizational and Managerial Practices***

Companies, firms and organizations hold the most important proportion of the responsibility in order to resolve these privacy tensions. Thus, they should strive toward greater sensitivity around consumers’ data privacy (Puntoni et al., 2021). There are many practices that can be realized in the context of privacy that will ameliorate, if not resolve, this tension.

First of all, companies should be equally concerned as the consumer about the protection of data privacy. They should include information about the disclosure processes in combination with textual justifications regarding data collection, data usage and data processing (Martin & Palmatier, 2020). This practice will enhance consumers’ trust toward the companies and thus reduce the effect of consumers’ privacy concerns (Martin & Palmatier, 2020). They should also inform consumers in regard to all data collection processes and usage for personalization purposes (Strycharz et al., 2019; Urban et al., 2019). Furthermore, another simple method to handle privacy concerns in regard to personalization is to ask for consumers’ feedback when exposed, for example, to a personalized advertisement (Strycharz et al., 2019). In a similar vein, companies could inform consumers about the benefits of personalization. Thus, if the benefits outweigh the costs of personalization, consumers show a more positive attitude toward personalization and seem to be less concerned about privacy related issues (Strycharz et al., 2019).

Furthermore, companies can employ different data collection methods which guarantee less privacy concerns like surveys and cookies. Importantly, surveys, which can be conducted during website registration, are a key tool because they provide transparency in regard to data collection and usage (Zeng et al., 2021). Through surveys, a great amount of consumers’ information can be collected which can be proven useful for the creation of personalized content. In that way, the decision regarding data disclosure and usage is transferred from the company to the consumer. As a result companies, can leverage the disclosed information in order to create successful personalized campaigns (Zeng et al., 2021). At the polar opposite of these practices, a more advanced and contemporary way to handle first party data is proposed. The ever-increasing number of wearables and digital assistants pave the way for a new and more ethical way in collecting first-party data through sign-in identifiers instead of cookies. Not only will this practice eliminate the use of third-party data, but also it will create more valuable and monetizable users (Thomas, 2021).

On top of that, a combination of privacy assurance and personalization declaration can trigger consumers even more in order to participate in a survey and can function as an effective strategy of self-disclosure. Privacy assurance constitutes a firm’s commitment which guarantees that the consumer’s personal data will remain safe while personalization declaration

is an informative statement in regard to the way firms use consumers' personal data in order to provide personalized services (Zeng et al., 2021). Another effective strategy which handles privacy concerns over personalization is by providing the ability to consumers to deactivate personalization (Strycharz et al., 2019). This means that the consumer is given the possibility to choose whether he wants to receive personalized messages and advertisements or more generic type of content. However, a limitation of this strategy is that it can only be used in websites and emails but not in social media advertising (Strycharz et al., 2019). Similarly, companies can employ privacy preserving systems, such as those that are being explained by Wang et al. (2018). Furthermore, companies could actively listen to their consumers in order to gain greater knowledge in regard to the activities that they prefer to engage in (Puntoni et al., 2021). Companies could also take on research in order to understand the negative effect of personalization on consumers (Puntoni et al., 2021). Furthermore, companies should ask for permission in order to start collecting data from their target audience and not gather data involuntarily by technological tools (Krafft et al., 2017).

Customization is also a very similar construct to personalization but differs in a critical point. Customization does not use advance data mining techniques in order to create personalized content but it is based on consumers' choice who select their own filters and preferences in order to "customize" a website to their needs (Strycharz et al., 2019). That means that the personalization is driven by the consumer. Importantly, prior research has proven that customization increases consumer satisfaction (Strycharz et al., 2019).

Technological advances can also be used by companies and organizations in order to protect the privacy of their consumers. For example, blockchain technology, which is highly used by institutions that process personal data, is a public database where everything is coded. As a result, companies can still develop their personalization campaigns while the personal identity of the consumer can not be revealed through data mining (Bleier et al., 2020). Another example of an innovative technology that can be used in order to address the ethical concerns raised by personalization practices is the adoption of privacy-enhancing technologies for personalization (Eskens, 2019). An example of such a technology is the client-side personalization, where the consumers' data are not stored in the company's server but at the client's side (Eskens, 2019).

Legislators also play a critical role in their attempt to issue privacy concerns toward personalization. First, the legislators should make all the rules and laws that are privacy related more mentally accessible to marketers without a legal background (Strycharz et al., 2019). This can be achieved easily through manuals which enclose explanations of current legislative framework. Last but not least, actions should be undertaken in order to increase awareness around privacy and personalization among consumers.

#### ***4.1.3 Educational Practices related to Marketing***

The profession of a marketer is constantly changing and involving due to new technological advances. Marketing curriculum plays a critical role in forming new marketers and should be regularly updated (Walker & Moran, 2019). Also, marketing curriculum should teach undergraduates and postgraduates students in marketing how to be socially responsible with the consumers' data, with the data they produce as they will be asked to handle this kind of information on a regular basis during their marketing career (Walker & Moran, 2019). However, marketing curriculum lacks this type of courses and there is a clear need to introduce them in marketing studies. In addition, courses that highlight the ethical and social impact of new technological tools, such as AI, should also enter marketing curriculum and provide insights on how to properly handle them. In a similar vein, workshops and training programs can add value in raising awareness of beneficial data use and how to not misuse the data (Banerjee, 2019). Last, educators should address these ethical pressing issues and educate



students on how to cope with these issues (Walker & Moran, 2019) while American Marketing Association can form a group of practitioners and academics from different disciplines in order to address this issue. To conclude, there is an apparent need for marketing curriculum to be regularly updated in regard to new technological innovations.

## **5. Discussion and Conclusion**

People increasingly receive content and advertisements personalized to their needs and preferences via a multitude of channels e.g. social media, websites, apps etc. These personalization practices derive from the collection and processing of consumers' personal data. These data are used to profile the customer and predict his future purchase behavior. However, consumers are concerned for the exploitation of their personal data for personalization purposes, while they still appreciate the benefits of this practice. Also, the alarmingly increasing amount of data breaches that lead to severe disruptions of people's personal lives has alerted the marketing and advertising community. This new reality of data privacy has triggered a growing body of literature to investigate the pressing issue of setting the guidelines for an optimal personalization experience which does not raise ethical concerns.

This present study highlighted all the practices that are capable in handling the ethical way the trade-off between personalization and privacy. The practices were segmented into three categories; consumer, organizational - managerial and educational practices. If these practices are followed by all the stakeholders (consumer, organizations and firms, updated marketing curriculum), will result in much more ethical and consumer-centric marketing strategies and priorities. These proposed practices pave the way to a "safer" and a more ethical way of communicating the marketing message to users. They should be adopted as a response to public concern regarding privacy issues posed by personalization and marketing practices in general. Such practices should be considered as viable alternatives which will restore the foundation of marketing and not as constraints in advertising. This requires a greater effort from all sides which includes a consumer-centric mindset for marketers and a "privacy-active" mindset for consumers.

## **6. Limitations and Future Research**

The present study is intended to provide an extensive but not exhaustive literature review on personalization and the ethical concerns surrounding it. The number of papers included in this SLR constitute a solid foundation for this topic as it highlights a plethora of practices that can be realized in order to address the pressing issue of ethical concerns caused by personalized content. Furthermore, this study also highlights gaps of literature that can lead the way for future research. Thus, more in depth research on personalization and ethics is strongly encouraged.

However, as with all research, the present SLR is not without limitations. The limitations of the present study lie in the number of articles that are reviewed in the present systematic literature review. The present SLR is based on articles published on a selected number of journals and the time frame of the article's publishing date is very narrow. As a result, research that could have added more value and in-depth knowledge in this study may be absent.

On the basis of these limitations, future research investigating the optimal trade-off practice between personalization and privacy is encouraged within a wider search timeframe and with a more inclusive list of scientific papers. Apart from that, this SLR has highlighted multitude avenues for future research in the privacy and personalization sector. First of all, a fruitful research would be to understand how copying with privacy issues can be proven as a competitive advantage in the market. Second, future research should investigate how data privacy is handled in relation to personalization throughout the entire consumer retail journey

(prepurchase, purchase, post purchase). Third, there is a need to understand how firms will respond to ethical dilemmas posed by new technologies in their firm privacy policies (Bleier et al., 2020). Last but not least, future research should also investigate the moderating role of education between personalization and ethical concerns.

## 7. Theoretical and Managerial Implications

The present SLR study offers some key theoretical and managerial contributions. More precisely, in terms of theoretical contributions, this study provides an adequate framework in relation to the concept and marketing practice of personalization, data privacy and also attempts to frame the new legislative framework of GDPR.

From a managerial point of view, the present systematic literature review offers valuable insights to managers of communication and marketing in relation to the optimal trade-off between data privacy and personalization. They can leverage the results of the present study as a starting point and guidance to develop ethical privacy policies and structure ethical personalization strategies.

Furthermore, the results of the present study can also be leveraged by both public and private sector (e.g. governments, institutions, companies) that collect and process data in order to guarantee user privacy. Last, policy makers should adapt to new technological advancements by creating policy strategies that respect consumers rights and by updating these policies on a regular basis.

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## **Appendices**

### **Appendix A**

<b>Construct</b>	<b>Definition</b>	<b>Source</b>
<b>Privacy</b>	"prerogative of individuals and companies to decide how, when, where and how much information about themselves they want to share with others"	(de Jong et al., 2021, p.6)
<b>Privacy</b>	"the right to be left alone"	(Bleier et al., 2020, p.467)
<b>Privacy</b>	"is about individual rights to protect personal information from service providers"	(Albashrawi & Motiwalla, 2019, p.1031)
<b>Privacy calculus</b>	the trade-off between privacy concerns and consumers willingness "to tolerate them if the perceived value that they receive in return is sufficiently high"	(Bleier et al., 2020, p.474)
<b>Privacy calculus</b>	"a trade-off analysis of risks and benefits of sharing personal information with others"	(Krafft et al., 2019, p.41)
<b>Location privacy</b>	"the individual's ability to regulate external audiences' access to information about his or her current or past locations"	(Banerjee, 2019, p.487)
<b>Privacy concern</b>	"the ability of the individual to control the terms under which personal information is acquired and used"	(Dhanya & Jaidev, 2019, p.41)
<b>Privacy Policy</b>	"a statement which explains how customers' data is collected and used"	(Zeng et al., 2020, p.2)
<b>Privacy Assurance</b>	"a commitment claiming a firm's responsibility to ensure that their customers' private information remains safe"	(Zeng et al., 2021, p.2)
<b>Consumer privacy paradox</b>	"consumers are aware of data privacy threats but share information freely"	(Martin & Palmatier, 2021, p.450)
<b>Privacy over personalization</b>	"the trade-off between consumers' simultaneous desire for more privacy, but also greater personalization of communications"	(Bleier et al., 2020, p.474)
<b>Personalization</b>	"the delivery of personalized advertisements to individuals based upon their exclusive preferences that is used by many organizations for effective advertising and relationship management in social media and email"	(Zeng et al., 2021, p.2)
<b>Personalization - privacy paradox</b>	"the trade-off between personalization benefits and privacy risks"	(Zeng et al., 2021, p.668)
<b>Personalization Declaration</b>	a statement which informs "how firms use customers' personal information to offer personalized products and services"	(Zeng et al., 2020, p.2)
<b>Zero-party data</b>	"information that consumers knowingly, willingly provide to retailers in exchange for more meaningful personalization"	(Martin & Palmatier, 2021, p.452)
<b>User-generated data</b>	"the data that emerge as a result of user actions"	(Saura et al., 2021, p.1)
<b>Sensitive data</b>	"personal data, revealing, among others, racial or ethnic origin, political opinions, religious or philosophical beliefs, or data concerning someone's sexual orientation"	(Eskens, 2019, p.172)

## Appendix B

Title	Authors	Journal	Category	Purpose	Main Concepts Analyzed
Key trends in business-to-business services marketing strategies: developing a practice	(de Jong et al., 2021)	Industrial Marketing Management	Industrial Marketing	To address B2B service marketing strategies in regard to data privacy and personalization	Gamification, mixed reality, data
A study of the effects of programmatic advertising on users' concerns about privacy overtime	(Palos-Sanchez et al., 2019)	Journal of Business Research	of Programmatic Advertising	To examine the impact of perceived usefulness of programmatic advertising on privacy concern	Perceived usefulness, privacy
Does self-disclosure matter? A dynamic two-stage perspective for the personalization-privacy paradox	(Zeng et al., 2020)	Journal of Business Research	of Business	To resolve the personalization-privacy paradox	Personalization-privacy paradox, self-disclosure, privacy assurance, perspnalization declaration
Data Privacy in Retail: Navigating Tensions and Directing Future Research	(Martin & Palmatier, 2021)	Journal of Retailing	Retail	To understand data privacy in retail through consumer tensions	Data privacy, personalization, privacy paradox
EU General Data Protection Regulation: Changes and implications for personal data collecting companies	(Tikkinen-Piri et al., 2018)	Computer and Security Review	Law Computer Security Law	To identify the practical changes that were introduced by the GDPR for companies	GDPR, personal data
Consumer Privacy and the Future of data-based innovation and marketing	(Bleier et al., 2020)	International Journal of Marketing Research	Marketing of	To examine how digitized marketing strategies trigger privacy concerns	Consumer privacy, data-based innovation
From user-generated data to data-driven innovation: A research agenda to understand user privacy in digital markets	(Saura et al., 2021)	International Journal of Information Management	Information	To understand the challenges related to user privacy that affect data-driven innovation	User-generated data, data-driven innovation
Getting to know you: Social media personalization as a means of enhancing brand loyalty and perceived quality	(Shanahan et al., 2019)	Journal of Retailing and Consumer Services	of Retail and	To understand how perceived personalization affects consumer brand engagement and brand attachment	Perceived personalization, consumer personalization, brand attachment
Permission Marketing and Privacy Concerns - why do customers (not) Grant Permissions?	(Krafft et al., 2019)	Journal of Interactive Marketing	of Marketing	To help measures taken by firms which aim at acquiring more permissions by consumers	Permission marketing
Toward Privacy-Preserving Personalized Recommendation Services	(Wang et al., 2018)	Engineering	Engineering	To comprehend the literature related to personalized recommendation services with machine learning privacy protection	Privacy protection, collaborative filtering, machine learning
Customer relationship management and big data enabled: Personalization & customization of services	(Anshari et al., 2019)	Applied Computing and Informatics	Applied Computing and Informatics	To examine big data for CRM	Big data, CRM
Contrasting perspectives - practitioner's viewpoint on personalised marketing communication	(Strycharz et al., 2019)	European Journal of Marketing	Journal Marketing	To offer practical insights into personalization to enlighten the practitioner-academia gap	Personalized marketing
Consumers and Artificial Intelligence: An experiential perspective	(Puntoni et al., 2021)	Journal of Marketing	of Marketing	To examine holistically the construct of AI and its impact in technology marketing	Artificial intelligence, technology marketing, privacy
Consumer Information for Data-Driven Decision Making: Teaching Socially Responsible Use of Data	(Walker & Moran, 2019)	Journal of Marketing Education	of Marketing Education	To highlight gaps in the marketing curriculum and propose ways to address this gap	Data, ethics, privacy, marketing curriculum
Geosurveillance, Location Privacy, and Personalization	(Banerjee, 2019)	Journal of Public Policy Marketing	Public & Policy Marketing	To examine geosurveillance in regard to marketing practices	Geolocation, geosurveillance, location privacy, personalization
Privacy and Personalization in Continued Usage Intention of Mobile Banking: An Integrative Perspective	(Albashrawi & Motiwalla, 2019)	Information Systems Frontiers	Mobile banking	To examine privacy and personalization in regard to TAM	Mobile banking, privacy, personalization, continued usage intention
How artificial intelligence will change the future of marketing	(Davenport et al., 2020)	Journal of the Marketing Academy	the Marketing of	To comprehend the impact of artificial intelligence on marketing	Artificial intelligence, privacy, ethics
Perceived Personalization, Privacy Concern , e-WOM and Consumers' Click Through Intention in Social Advertising	(Dhanya & Jaidev, 2019)	International Journal of Services and Mobile Application	Social E- Advertising and	To examine the influence of perceived personalization, privacy concern and e-WOM to click-thorough intentions toward social advertising	Perceived personalization, click on intention
A right to reset your user profile and more: GDPR-rights for personalized new consumers	(Eskens, 2019)	International Data Privacy Law	Data Privacy	To provide insights into data protection rights in regard to consumers in regard to personalization	GDPR, personalization
Which Privacy Policy Works, Privacy Assurance or Personalization Declaration? An investigation of Privacy Policies and Privacy Concerns	(Zeng et al., 2021)	Journal of Business Ethics	of Privacy Policy	To examine the impact of privacy assurance and personalization declaration on customers' privacy concerns	Privacy assurance, personalization declaration
Key trends in business-to-business services marketing strategies: developing a practice based research agenda	(de Jong et al., 2021)	Industrial Marketing Management	Industrial Marketing	To address B2B service marketing strategies in regard to data privacy and personalization	Gamification, mixed reality, data visualization privacy