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Data ethics and privacy in sustainable marketing

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Abstract

Extensive use of Artificial Intelligence has been on the rise in recent years, including in marketing fields where companies use AI to understand customers better and target ads according to their preferences. This paper explores how companies use their customer data for personalised and targeted ads and whether they are following the use of data ethically and responsibly. This paper aims to understand the relationship between data ethics, privacy concerns, and AI in sustainable marketing practices. Through a literature review, many research papers were examined to analyse what experts in the field have to say about this topic. We looked into how AI tools used by companies collect and use customer data for better marketing strategies and what ethical issues arise. In this paper, we found out how AI can help create more personalized and targeted ads that attract consumers and how serious issues about customer privacy concern consumers about how their personal, sensitive data is being used without their full knowledge and consent. Our paper proposes that companies must be more transparent about the use and collection of customer data and should follow ethical guidelines to protect consumer privacy. Our research concludes that, for true sustainable marketing, companies must strike a balance between the use of AI technology and data ethics and consumer privacy, following the regulations to make sure that the use of AI does not compromise the individual's rights.

Keywords: Artificial Intelligence (AI), Data Ethics (DE), Privacy, Sustainable Marketing (SM), transparency, accountability

Introduction

A considerable amount of research has been devoted to examining the individual impacts of artificial intelligence, data privacy ethics, and sustainable marketing on present-day organizational strategy. Yet a critical gap persists in understanding how these three forces interconnect and mutually shape business operations in the modern marketplace. The technological foundation for this inquiry becomes apparent when examining artificial intelligence adoption trends. Gündüzel (2024) ^[5] demonstrates that the global artificial intelligence market was valued at USD 638.23 billion in 2024 and is projected to reach USD 3,680.47 billion by 2034, expanding at a compound annual growth rate of 19.1 percent. This exponential growth reflects the accelerating reliance on artificial intelligence for automation, data-driven decision-making, and customer personalization across industries worldwide. However, this technological advancement creates immediate tensions regarding data protection and consumer rights. Nunan and Di Domenico (2024) establish that data-driven marketing generates serious challenges around privacy protection, trust erosion, and insufficient consumer empowerment, as artificial intelligence and big data technologies simultaneously amplify surveillance risks while weakening consumer confidence. The ethical dimensions of this challenge are profound, despite regulatory frameworks such as the General Data Protection Regulation (GDPR), weak self-regulation persists across organizations, leaving consumers vulnerable to exploitative data practices and inadequate consent procedures.

These concerns about data ethics and privacy cannot be addressed in isolation from broader sustainability imperatives now reshaping business priorities. Gündüzel (2024) ^[5] emphasizes that sustainable marketing must be environmentally sustainable, socially unbiased, and economically viable, thereby transforming marketing from a purely commercial tool into a mechanism for positive social and environmental impact. This definition reveals a fundamental requirement, that is, authentic sustainable marketing demands transparent, ethical organizational practices that build consumer trust and demonstrate genuine commitment to societal well-being.

The tension becomes clear upon closer examination. Artificial intelligence enables the data-driven targeting and resource optimization essential for implementing sustainable marketing strategies effectively. Yet simultaneously, the extensive data collection required for these sophisticated artificial intelligence applications directly conflicts with the privacy protections and ethical data governance that sustainable marketing principles demand. Nunan and Di Domenico (2024) emphasize that ethical data use and consumer empowerment are vital for sustainable marketing and long-term consumer trust, establishing data ethics not as a separate compliance concern but as a foundational requirement for sustainable business practice. Additionally, Kazim and Koshiyama (2021)^[9] reveal a deeper structural tension: data protection traditionally prioritizes privacy as its foundational ethical principle, while artificial intelligence ethics frequently emphasizes fairness and transparency as central concerns. These organizational principles, though conceptually complementary, often conflict in practice, creating situations where protecting privacy through data minimization may compromise the algorithmic fairness that artificial intelligence systems require, or where ensuring fairness through algorithmic transparency may inadvertently reveal sensitive personal information.

The convergence of artificial intelligence capabilities, data ethics laws, and sustainability requirements presents organizations with a genuine triadic challenge that cannot be resolved through isolated departmental approaches or increasing of technical solutions. Organizations currently lack clear frameworks for understanding how artificial intelligence deployment relates to ethical data stewardship, or how both interconnect with authentic sustainability commitments. Practitioners struggle to navigate competing demands, leveraging artificial intelligence's capacity for customer insight and operational efficiency while protecting consumer privacy and maintaining ethical practices, simultaneously advancing genuine environmental and social responsibility without compromising business practicality. This fragmented organizational reality reflects a corresponding gap in scholarly literature. Despite extensive research examining artificial intelligence in marketing, data privacy and ethics in business contexts, and sustainable marketing practices individually, scholarship explicitly addressing the integrated relationships among these three constructs remains limited. Understanding how artificial intelligence influences data privacy considerations, how data ethics principles shape sustainable marketing implementation, and how sustainability commitments constrain or enable artificial intelligence deployment requires systematic investigation of their interconnections rather than continued examination of isolated domains. Addressing this gap is essential not only for advancing theoretical understanding but also for equipping modern business leaders with practical frameworks for navigating technological innovation, ethical responsibility, and sustainability commitment together.

Literature Review

Qadri *et al.* (2025)^[13] as according ethical, transparent, and consumer autonomous AI-driven personalization encourages sustainable purchases. Gunduzeli (2024) emphasizes data ethics and responsible AI frameworks while connecting AI marketing to the three pillars of sustainability. According to Sohaib *et al.* (2025)^[15], AI-based green marketing that is

genuine and transparent fosters trust and encourages sustainable behaviour. Sustainable business innovation requires algorithmic transparency and ethical data governance, according to Sharma *et al.* (2025)^[14]. According to Abdelkader (2023)^[1], ChatGPT increases user satisfaction by personalizing interactions, but if privacy is compromised, trust is damaged. According to Hermann (2021)^[6], AI can both promote sustainability and increase consumption, which is why transparent, autonomy-preserving systems are necessary.

Floridi *et al.* (2018)^[3], In order to guarantee that AI systems are morally and socially advantageous, it presents the AI4People framework, which outlines five principles: beneficence, non-maleficence, autonomy, justice, and explicability. The 2020 paper, The Interrelation Between Data and AI Ethics, emphasizes the overlap between data ethics and AI ethics and suggests using Data Protection Impact Assessments (DPIAs) to incorporate ethical assessment into AI development. The complex task of assessing fairness in AI is covered in Fair AI: Challenges and Opportunities (2020)^[2], which highlights that fairness is a technical as well as an organizational issue. Jobin, Ienca, and Vayena (2019)^[8] examine international AI ethics guidelines and discover a discrepancy between moral precepts and practical application. Lastly, Zhu *et al.* (2020)^[16] connect technical privacy solutions with ethical AI design by investigating differential privacy as a workable method of data protection while facilitating AI learning.

Kato Nabirye (2025)^[11] argues that important components of sustainable marketing are the ethical use of data and great consumer autonomy. He notes that weak self-regulatory systems limit GDPR's influence on consumer data rights.

Nunan and Di Domenico (2013)^[12] in "Market Research and the Ethics of Big Data" discuss how big data are changing market research practice, including issues surrounding consent, privacy and data ownership. They promote ethical principles such as the obligation to delete data and the expiry of data retention to cultivate trust with consumers.

Jeou-Shyan Horng *et al.* (2024)^[7] in "Big Data Meets Sustainable Marketing" employ a Sustainable Marketing with Big Data (SMBD) model to show that innovative, problem-based learning enhances data literacy, sustainability knowledge and marketing abilities, thereby equipping students with the skills needed for ethical and data-driven marketing practice.

Problem Statement

- How do data ethics, privacy concerns, and AI integration influence sustainable marketing practices, and what ethical challenges emerge in this intersection?
- How does the absence of updated ethical frameworks for big data marketing affect in the sustainability context?

Objectives

This research has as a primary purpose the exploration of the role of Artificial Intelligence (AI) in fostering ethical and sustainable marketing practices. It seeks to explore the implications of AI-driven customization for trust, transparency, and accountability for consumers and responsible use of data.

The second main purpose of this research is to analyse the intersection of data ethics and AI in marketing by focusing

on frameworks for assuring equity, privacy, and transparency in algorithmic decisions. Ultimately, the goal is to outline lessons learned about how businesses can combine technological innovation with ethical accountability in order to pursue sustainable marketing practices over the long term. The research will consider how AI ethics in governance can support sustainability without sacrificing consumer autonomy or data protection. Finally, the research aims to evaluate how big data and AI tools contribute to sustainable marketing strategies. The study illustrates how organizations can operationalize and embed data ethics concepts such as consent, user data ownership, and responsible innovation in achieving consumer trust and sustainable business growth over time.

Methodology

The current research is based on qualitative research methodology by reviewing research papers, journals, and academic articles using existing research. The purpose is to understand the use of Artificial Intelligence (AI) in Marketing, while also maintaining Data Ethics and privacy for Sustainable practices.

This study relies, on secondary data from prominent authors and the previous research done in the field concerning AI, data ethics and privacy, and sustainable marketing. Papers by authors such as Qadri *et al.* (2025)^[13], Gunduzeli (2024), Floridi *et al.* (2018)^[3], and other researcher papers were critically reviewed to analyse expert perspectives and prior research data on this topic.

In reviewing the above sources, this paper examined how AI tools can help develop personalized marketing strategies, and what ethical or data privacy implications are present. In summary, this study reviews literature that is used as an overview of previous knowledge to inform companies on how to balance the use of AI with responsible data practices within the scope of sustainable marketing. The study relies completely on existing data, with no primary data collection.

Findings

The literature reveals a fundamental tension at the heart of modern marketing. AI offers powerful tools for promoting sustainable consumption, yet the data collection required to power these systems threatens the consumer trust essential for sustainability to work. This creates a paradox that organizations must navigate carefully. Nabirye (2025)^[11] explained that in the era of big data and algorithmic personalization, ethical implications around privacy have become central to marketing practice. The problem is that weak corporate self-regulation makes it difficult to implement ethical data practices, ultimately eroding the trust customers place in brands. Nunan and Di Domenico (2013)^[12] identified five major ethical challenges specific to big data, including how companies map people's online connections, questions about data ownership, the permanence of digital information, passive data collection methods, and privacy in public spaces. While big data enables valuable consumer insights, it simultaneously threatens privacy through massive data collection that customers often don't realize is happening.

AI itself presents a mixed impact on sustainability. Hermann (2021)^[6] argued that AI in marketing is a double-edged sword, it can either increase consumption and harm the environment or genuinely promote sustainable practices.

When implemented strategically, AI can help. Gündüzyeli (2024) found that AI revolutionizes digital marketing through automation and personalization that can support sustainable business practices. More specifically, Sohaib, Alshemeili, and Bhatti (2024) discovered that AI-enabled green marketing strategies significantly boost consumer trust and green purchasing intentions. However, Hermann (2021)^[6] cautioned that the energy consumption and emissions from developing and running AI systems create environmental costs that companies often ignore when assessing AI's overall sustainability impact.

The core ethical dilemma emerges when trying to synthesize these three areas. Abdelkader (2023)^[11] found that customers want personalized, relevant experiences powered by AI, but this personalization demands significant personal data. This creates a catch, the same data collection that makes marketing effective and can drive sustainable consumption also raises legitimate privacy concerns. Companies must balance surveillance benefits with trust loss, knowing that surveillance-based marketing ultimately undermines the trust needed for sustainability to succeed. Nabirye (2025)^[11] emphasized that ethical data use and genuine consumer empowerment are essential for sustainable marketing to work long-term. Without real transparency and control, even the best AI-driven sustainability campaigns will fail because customers simply won't believe them.

Companies pursuing sustainable marketing through AI should prioritize authentic transparency and consumer trust above all else. Nunan and Di Domenico (2013)^[12] argued that outdated ethical codes need updating with new principles like the right to be forgotten and clear data ownership, suggesting organizations should get ahead of regulation by implementing these practices now. Second, Hermann (2021)^[6] proposed that AI should be used to help consumers make informed, sustainable decisions rather than simply maximizing sales. This represents a fundamental shift in how companies think about their purpose. By grounding sustainable marketing in genuine ethical practices and transparent AI use, organizations can build the trust necessary for long-term success while actually advancing environmental goals rather than exploiting them for profit.

Future Research Aspects

The link between Artificial Intelligence (AI), data ethics, and sustainable marketing is still quite new and developing in academic research. While this study helps connect these areas, there is still plenty of room for deeper exploration and more practical insights that can guide real-world applications.

To begin with, future research can focus on building real evidence through surveys, interviews, or case studies to understand how ethical data use influences consumer trust and loyalty in sustainable marketing. It would be useful to study how transparency, privacy protection, and ethical AI design affect how customers view a brand's credibility and responsibility.

There is also a strong need for cross cultural and regional studies. Most existing research has been conducted in Western countries like those in Europe and the United States, where strong data protection laws such as GDPR are already in place. Future studies should explore how ethical AI and privacy measures can be applied in developing nations like India, where digital marketing is growing quickly but awareness about data ethics and regulation is

still catching up.

Another area worth exploring is industry specific challenges. Different industries such as e commerce, healthcare, education, and finance face unique issues when it comes to ethical AI use. Understanding how these sectors can apply AI responsibly will help researchers and practitioners design flexible and practical ethical frameworks suited to different marketing environments.

In addition, policy and governance should be a major focus for future work. Researchers can study how businesses, governments, and regulatory bodies can work together to create global standards for ethical AI use in marketing. This could also include looking at how data protection laws, corporate social responsibility (CSR) policies, and sustainability reporting influence marketing practices.

With the rapid rise of new AI tools such as generative AI, machine learning, and predictive analytics future research should also examine their impact on privacy and sustainability. These technologies bring new opportunities for personalization, but they also create risks like over surveillance and misuse of personal data. Understanding this balance will be crucial.

Finally, future researchers can aim to develop practical models and ethical guidelines that companies can easily follow. These frameworks should help organizations balance profitability, innovation, and responsibility, ensuring that AI driven marketing stays ethical, transparent, and sustainable in the long run.

Conclusion

The interconnection between artificial intelligence, data ethics, and sustainable marketing presents both significant opportunities and complex ethical dilemmas for contemporary organizations. Artificial intelligence offers powerful tools for improving personalization, efficiency, and sustainability in marketing, yet these same technologies depend on extensive data collection, raising concerns about consumer privacy, trust, and accountability. The challenge for businesses lies in reconciling the promise of innovation with the responsibilities of ethical governance and sustainable practice.

Data ethics must therefore be considered a foundational element of sustainable marketing rather than a separate compliance obligation. Transparent data practices, consumer autonomy, and equitable algorithmic processes are essential to maintaining the trust required for sustainable, long-term customer relationships. The lack of comprehensive and updated ethical frameworks for data-driven marketing continues to hinder businesses from fully integrating ethical AI into sustainable strategies.

To address this gap, organizations and researchers must work collaboratively to develop integrated frameworks that align AI innovation with data ethics and sustainability principles. Such frameworks should guide companies in using data responsibly, ensuring that AI-driven marketing advances both business outcomes and societal welfare. Future research should focus on empirical validation, cross-cultural perspectives, and sector-specific studies that deepen understanding of how ethics and sustainability can coexist within technological advancement.

In conclusion, sustainable marketing powered by AI can succeed only when built on trust, transparency, and accountability. By integrating ethical data governance into AI development and sustainability initiatives, companies

can achieve responsible innovation that benefits consumers, supports environmental goals, and strengthens long-term organizational credibility.

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