#### 1. Definition and Importance of Consumer Trust

* Trust is a psychological state that reflects a consumer’s willingness to accept vulnerability based on positive expectations of a brand or platform.
* In digital advertising, trust influences engagement, click-through rates, and long-term customer loyalty.
* Lack of trust leads to ad avoidance, skepticism, and negative brand perception.

#### 2. Factors Influencing Trust in Digital Advertising

* Transparency: Clarity about why ads are shown and how data is used.
* Relevance: Personalization that feels helpful—not invasive.
* Privacy Protection: Compliance with data protection regulations (e.g., GDPR, CCPA).
* Brand Credibility: Established reputation and consistent messaging across platforms.

#### 3. Trust Erosion: Causes and Examples

* Over-targeting or creepy personalization (e.g., products mentioned in private conversations).
* Dark patterns in UI (e.g., hidden unsubscribe buttons).
* Misuse or leakage of consumer data—frequent scandals lower overall industry trust.
* Non-consensual data sharing with third parties.

#### 4. Strategies to Rebuild and Maintain Trust

* Consent-first design: Making opt-ins clear and optional.
* Ethical AI: Algorithms that explain why users are seeing specific ads.
* Value exchange: Offering users meaningful content or discounts in return for data.
* Consistency and authenticity: Avoiding manipulative tone or over-promising.

#### 5. Academic Models Referenced

* Privacy Calculus Model: Consumers weigh the benefits of personalization against perceived privacy risks.
* Trust Transfer Theory: Trust in one platform (e.g., a trusted e-commerce site) can influence trust in its ads.
* Technology Acceptance Model (TAM): Perceived usefulness and ease of use shape trust in digital tools and ads.