

RESEARCH ARTICLE

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Consumer (Student) Trust and Privacy Concerns in AI-Driven Retargeting Ads by EdTech Platforms and Universities

Ashma Sadia ¹ Sentulal Debbarma ²

¹ Department of Management (MBA), Martin Luther Christian University, India · ashmasadia41@gmail.com

² Assistant Professor, Department of Management, Martin Luther Christian University, India · sentu150@gmail.com

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ABSTRACT

This research explores how EdTech platforms and universities use artificial intelligence (AI) to show retargeting ads to students, and how this affects student trust and privacy. As personalized AI ads has become more common in education, many students feel concerned about how their personal data is collected, tracked, and used for marketing. The study looks at the importance of transparency and getting proper consent from students before using their information. It discusses why it is important for educational platforms to clearly explain their data practices and respect student privacy to build trust. The research also highlights the challenges of balancing effective digital advertising with ethical responsibilities in education. Results suggest that privacy-friendly marketing and open communication about data use can help make students feel safer and more valued, encouraging them to trust EdTech platforms and universities.

Keywords: EdTech, AI, retargeting ads, student trust, privacy concerns, data consent, personalized advertising, transparency, ethical marketing, education platforms

INTRODUCTION

Artificial Intelligence (AI) has rapidly transformed the landscape of educational marketing. Universities and EdTech platforms now use sophisticated algorithms to engage students through retargeting ads based on behavioural data—web browsing, course searches, social media interactions, and online activity. AI-powered retargeting offers tailored experiences, but brings ethical and privacy dilemmas to the forefront.

Over the past five years, academic and industry attention has shifted towards understanding how students perceive these ads, especially regarding data privacy, consent, and trust. Legal frameworks such as GDPR in Europe, FERPA in the US, and India's Digital Personal Data Protection Act have provided initial safeguards, yet implementation challenges remain. This research paper aims to synthesize findings from recent studies (2020–2025), provide insights into key issues, and offer recommendations for privacy-friendly, trust-centred AI marketing in education.

LITERATURE REVIEW

Retargeting and AI in Education

Retargeting involves reaching out to students who have interacted with a university website or EdTech platform but did not complete registration or purchase. AI algorithms analyse student behaviour to maximize conversion and engagement rates (Smith, 2023). Studies show that advanced personalization increases effectiveness but intensifies student concerns about constant tracking and data profiling. Privacy, Consent, and Data Governance

Many students remain unaware of how their data is collected and utilized. Surveys report low confidence in privacy policies and confusion over consent mechanisms. When informed, students worry about over-collection, secondary usage, and lack of control (Johnson, 2022).

Privacy-enhancing technologies like federated learning and differential privacy are gradually being adopted, but student understanding is limited (Patel et al., 2025).

Transparency, Trust, and Ethical Marketing

Transparency is essential for building trust in AI-driven advertising. Brown (2023) found that students are more likely to engage with EdTech when platforms clearly explain their data practices and offer opt-in/opt-out mechanisms. Evans & Singh (2024) emphasize that failure to communicate honestly leads to student disengagement and public criticism. Compliance with privacy laws and the use of “privacy by design” methods contribute to positive outcomes.

International & Regional Contexts

Analysis of global experiences reveals stronger trust in regions with robust privacy laws and enforcement, such as the US and Europe, compared to India and Africa (Johnson, 2022; Patel et al., 2025).

RESEARCH GAP

Emerging research points to a lack of direct empirical studies connecting new privacy-preserving AI technologies to measurable improvements in student trust. There is limited cross-cultural research comparing legal enforcement and its impact on student perceptions in developing versus developed countries.

OBJECTIVES

To analyse the impact of AI-driven retargeting ads on student trust and privacy perceptions.

To identify student concerns about transparency and data consent in AI-based marketing.

To recommend privacy-centric solutions and communication strategies for EdTech platforms.

PROBLEM STATEMENT

Widespread adoption of AI in educational retargeting ads brings personalization and efficiency but risks privacy violations and loss of student trust. Without clear privacy frameworks and ethical data practices, students may avoid engagement, causing negative impacts for institutions and platforms.

METHODOLOGY

This paper draws from peer-reviewed research articles, industry reports, and policy documents published between 2020 and 2025. Primary sources included journals on educational technology,

privacy law, and marketing ethics. An online survey was distributed to 200 students in India, the US, and the UK, collecting data on their awareness of data policies, privacy concerns, and willingness to engage with AI-powered ads. Interviews with EdTech marketers were conducted to understand current practices and legal challenges. Content analysis and descriptive statistics were used to identify trends and synthesize findings.

FINDINGS

Student Awareness and Privacy Concerns

Survey data reveal that less than one-third of students understand how EdTech platforms use their behavioural data for retargeting. High levels of discomfort are reported, including fears of excessive tracking, data leaks, and targeting without consent. Many students describe retargeting ads as “intrusive” when platforms fail to explain personalization mechanisms.

Consent and Transparency

Platforms that openly communicate their data policies, clarify how data is handled, and provide easy opt-in/opt-out choices receive significantly higher trust and engagement scores. The use of privacy dashboards and periodic transparency reports was found to be effective in reducing student anxiety.

Effectiveness of Privacy-Preserving Technologies

Institutions using federated learning and differential privacy technologies witnessed increased student comfort, although awareness of these technical safeguards remains low. Further outreach and education are needed to demystify privacy innovations.

Regional Differences

Students in the US and Europe, where legal frameworks are well-enforced, generally report higher levels of trust and engagement with personalized ads. In developing regions, trust is lower, privacy concerns are higher, and both legal compliance and transparency are inconsistent.

DISCUSSION

The research demonstrates that the success of AI-driven retargeting campaigns depends on student trust and privacy. Transparency—through clear privacy policies, education, and consent options—is more effective than technological solutions alone. Marketing teams must integrate “privacy by design” into their workflows and stay updated on legislation in every region they operate.

Training staff to communicate privacy and educating students builds mutual respect and strengthens engagement. Open feedback channels allow students to voice questions and build collective accountability.

RECOMMENDATIONS

EdTech platforms and universities should:

Develop brief, accessible privacy policies and regularly update them.

Obtain explicit, granular consent before collecting or using personal student data.

Provide simple options to opt-in or opt-out of personalized ads and data tracking.

Use federated learning and differential privacy, explaining their benefits in student-facing language.

Audit data practices annually and publicly share transparency reports.

Educate marketers, IT staff, and students about privacy rights and controls.

Engage in international conversation to harmonize privacy standards.

CONCLUSION

AI-driven retargeting ads will remain key features of future marketing in education. However, lasting student trust depends on a foundation of privacy, transparency, and ethical engagement. With responsible policies, educational workshops, and effective use of privacy-preserving technologies, EdTech companies and universities can balance innovation with respect for student autonomy—ensuring that marketing contributes to, not detracts from, the educational experience.

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