

The Effect of Personalized Marketing on Consumer Retention through Consumer Satisfaction and Consumer Trust

Consumer Retention
with Personalized
Marketing

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ABSTRACT

Consumer retention is shaped by personalized marketing, built on consumer trust and satisfaction. This study aims to identify the effect of personalized marketing on consumer retention, focusing on consumer satisfaction and trust in the e-commerce sector. The research method used is quantitative, with a causal design and a survey approach. The study population consisted of students with a sample of 200 respondents who met the criteria as active e-commerce consumers. Data collection was conducted through an online questionnaire using a rating scale of 1-10. Data analysis used Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, including measurement models and hypothesis testing through bootstrapping. The research findings show that personalized marketing affects consumer retention, consumer trust, and consumer satisfaction. Consumer trust and consumer satisfaction both affect consumer retention. Consumer trust and consumer satisfaction mediate the effect of personalized marketing on consumer retention. This study shows that personalized marketing plays an important role in increasing consumer satisfaction and trust, thereby increasing long-term customer retention. The implication of this study suggests that companies should prioritize the implementation of personalized marketing strategies supported by data analytics and CRM systems to deliver more relevant customer experiences.

Keywords: Consumer Retention, Consumer Satisfaction, Consumer Trust, Personalized Marketing.

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INTRODUCTION

The Industrial Revolution 4.0 has accelerated digital transformation, positioning e-commerce as a core backbone of the modern economy rather than merely a distribution channel. In Indonesia, the digital economy is expanding rapidly, with projected transaction value reaching IDR 700 trillion by 2025 (Bappenas, 2022). This growth has created a hyper-competitive ecosystem where differentiation through price or product variety is no longer sufficient. Customer experience has become the primary battleground for competitive advantage and platform success (Dwivedi et al., 2023). In this saturated environment, retaining consumers amid abundant alternatives remains a critical challenge for businesses (Christianti & Hasanah, 2025; Dhia et al., 2025). The intensity of competition is reflected in rising consumer switching behavior, contributing to a digital loyalty crisis. Pappas (2018) reports that churn rates in global e-commerce can reach 75%, illustrating how easily consumers switch platforms. This issue is driven by information overload and generic experiences that result in decision fatigue. Edelman and Abraham (2022) further emphasize that irrelevant recommendations significantly increase user abandonment. These findings indicate that traditional mass marketing approaches are increasingly ineffective in addressing modern individualized consumer expectations.

Despite rapid growth, e-commerce personalization introduces several challenges that complicate its implementation. Collecting customer data for personalization requires access to sensitive personal information, raising concerns about privacy and security

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(Heidary et al., 2022). Improper data management may lead to breaches or misuse, damaging brand reputation and violating privacy regulations (Hossain et al., 2024). Additionally, personalization depends heavily on data quality; incomplete or inaccurate data can produce irrelevant recommendations that make customers feel undervalued (Jalaja et al., 2024). The operational costs of personalization are also significant, requiring investment in AI systems, analytics tools, and large-scale data infrastructure, which can burden small and medium enterprises (Mensouri et al., 2022). Furthermore, managing large volumes of data creates analytical complexity, increasing the risk of decision-making errors (Migkos et al., 2025). Consumer heterogeneity adds another challenge, as not all users prefer fully personalized experiences, leading to inconsistencies in marketing communication (Mikheev et al., 2021). Scalability also becomes an issue as firms expand, since personalization systems require continuous updates and maintenance to remain effective (Oklander et al., 2024).

On the other hand, AI-driven personalization offers significant benefits for both consumers and businesses. Personalized experiences enable companies to deliver more relevant and engaging interactions by tailoring messages, recommendations, and offers to individual preferences, behaviors, and needs, thereby enhancing perceived value and customer satisfaction (Panzone et al., 2022). Such relevance increases purchase likelihood, as consumers are more inclined to respond positively to offerings aligned with their interests (Vdovichena et al., 2024). Moreover, personalization strengthens customer loyalty by fostering long-term relationships between consumers and brands. When customers feel understood and valued, they are more likely to exhibit repeat purchasing behavior and positive word-of-mouth, which ultimately enhances business performance (Salhab et al., 2025). Additionally, personalization reduces search costs and cognitive effort, allowing consumers to make faster and more efficient decisions (Edelman & Abraham, 2022). These functional and emotional benefits collectively contribute to sustained customer engagement and retention, especially within fast-growing emerging e-commerce ecosystems in Southeast Asia, such as Indonesia today.

Despite growing scholarly attention, important gaps remain in AI personalization research. First, most studies focus on mature Western markets, limiting generalizability (Blut et al., 2016; Huang & Rust, 2021). Consumer responses in emerging markets such as Indonesia may differ due to cultural collectivism, digital literacy variation, and privacy perceptions (Akter et al., 2020). Second, methodological limitations persist, as many studies rely on behavioral or secondary data without capturing subjective consumer perceptions, explaining outcomes but not underlying reasons (Pappas, 2018). Third, theoretical fragmentation remains, where satisfaction or retention are often examined separately or modeled as direct effects of personalization (Le et al., 2022). This neglects key mediators such as trust and satisfaction in explaining how personalization drives loyalty.

Addressing this, the study proposes an integrated model positioning trust and satisfaction as mediators between AI personalization and customer retention in Indonesian e-commerce. This offers contextual novelty by focusing on Indonesia's underexplored market and theoretical novelty by unpacking psychological mechanisms. Based on the description above, this study aims to identify the effect of personalized marketing on consumer retention, focusing on consumer satisfaction and trust in the e-commerce sector.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Personalized Marketing

The relationship between personalized marketing and consumer retention is a critical focal point in contemporary marketing research amid intensifying competition and evolving consumer expectations, prompting organizations to adopt evidence-based loyalty strategies (Adamu et al., 2024). Moving away from traditional mass marketing, personalized marketing deploys strategic, consumer-centric approaches including tailored communication, individualized offers, and customized experiences driven by distinct

consumer preferences, behaviors, and characteristics (Olugbenga et al., 2024; Süer et al., 2025). In digital services, personalization significantly optimizes user engagement compared to alternative marketing interventions (Pan & Yang, 2022). This strategic execution is heavily reinforced by advancements in data analytics and Customer Relationship Management (CRM) technologies, data-driven insights, and automated systems, which enhance customer satisfaction by Alijoyo et al. (2025), while McKee et al. (2024) advanced analytics facilitate precise behavioral segmentation to formulate highly targeted retention frameworks. Evidence from Kim and Kim (2025) shows AI personalization reduces churn significantly, emphasizing functional and emotional pathways.

When implemented effectively, personalized marketing creates a more relevant customer experience by aligning offerings with individual preferences and behaviors (Panzone et al., 2022). This relevance contributes to higher consumer satisfaction (Hallikainen et al., 2022). Satisfied customers are more likely to develop trust in the brand, as positive experiences reinforce perceived reliability and value (Cuesta-Valiño et al., 2022). This trust subsequently encourages repeat purchasing behavior and strengthens long-term loyalty, which ultimately enhances consumer retention (Garaus & Treiblmaier, 2021; Li et al., 2023). This sequential process illustrates a reinforcing cycle in which personalized marketing drives satisfaction and trust, leading to sustained customer relationships and long-term competitive advantage for firms (Gidaković & Zabkar, 2021; Rawool et al., 2025).

H1: Personalized marketing has a positive effect on consumer retention.

H2: Personalized marketing has a positive effect on consumer trust.

H3: Personalized marketing has a positive effect on consumer satisfaction.

The Effect on Consumer Retention

Building enduring relationships between businesses and customers depends heavily on consumer trust. According to Riegger et al. (2022) and Kim et al. (2023), customers are more likely to become loyal to a business and stick with it if they believe it to be reliable in terms of product quality, customer service, and brand integrity. This condition is closely related to consumer retention, which refers to a company's ability to maintain customers over time. In a highly competitive market environment, consumers who feel valued and prioritized tend to remain with a brand rather than switch to competitors (Huang et al., 2025). Therefore, trust becomes a critical determinant of long-term customer retention.

Another important component of guaranteeing customer loyalty is customer satisfaction. Customers are satisfied when they believe their expectations are fulfilled or surpassed, especially with regard to perceived value, service performance, and product quality (Ahmed et al., 2023). Customers who are happy with a business are more inclined to stick with it, make more purchases, and oppose rival products. Stronger consumer retention, which is the capacity of a business to hold onto its clients over an extended length of time, is directly impacted by this behavior (Sun et al., 2022; Mishra et al., 2023). Long-term relationships between customers and businesses are further strengthened by happy customers' propensity for positive word-of-mouth and repeat business (Kalinić et al., 2021).

H4: Consumer trust has a positive effect on consumer retention.

H5: Consumer satisfaction has a positive effect on consumer retention.

The Effect of Consumer Trust and Consumer Satisfaction as a Mediating Variable

Marketing personalization, which involves tailoring offerings to individual preferences, significantly enhances consumer retention by operating through the crucial mediating role of consumer trust (Vdovichena et al., 2024). Rather than merely delivering relevant offers, effective personalization strengthens relational bonds and builds long-term trust (Pan & Yang, 2022). When consumers perceive that a brand understands their

unique needs, their trust increases, acting as a key mechanism that translates personalization into stronger retention (Minhaj & Khan, 2025). Ultimately, heightened personalization drives consumer trust, which subsequently encourages long-term brand loyalty (Migkos et al., 2025). In this framework, consumer trust functions as a vital mediating bridge, transforming transactional interactions into enduring relational commitments.

Similarly, consumer satisfaction serves as another important mediating variable between marketing personalization and consumer retention. Marketing personalization enhances satisfaction by providing more relevant, convenient, and enjoyable consumer experiences tailored to individual needs (Ma, 2021). When personalization successfully meets or exceeds consumer expectations, satisfaction increases, which subsequently strengthens their intention to continue using the service or product. Conversely, ineffective personalization that fails to deliver value may reduce satisfaction and weaken retention outcomes (Mensouri et al., 2022). Therefore, consumer satisfaction acts as a psychological mechanism that links marketing personalization to consumer retention. Firms must not only focus on delivering personalized content but also ensure that such personalization creates meaningful satisfaction, as this will ultimately strengthen long-term customer relationships and loyalty (Zhao et al., 2021; Chaturvedi et al., 2024). In this framework, consumer satisfaction functions as a mediator that converts personalization efforts into sustained consumer retention through enhanced perceived value and positive consumer experience (Araújo et al., 2023).

H6: Consumer trust mediates the effect of personalized marketing on consumer retention.
H7: Consumer satisfaction mediates the effect of personalized marketing on consumer retention.

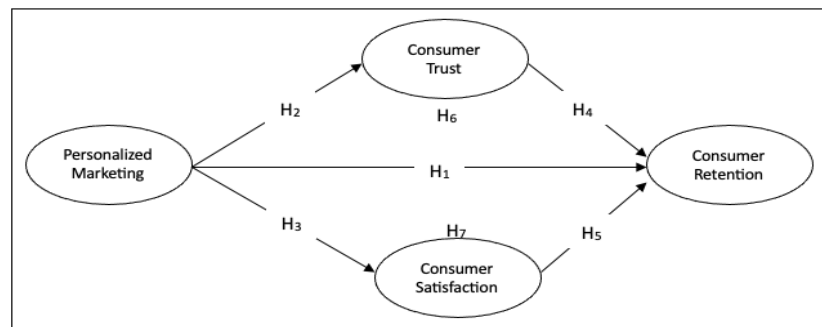


Figure 1. Research Framework

The study's conceptual framework is shown in Figure 1, which also shows the connections between customer satisfaction, retention, trust, and personalized marketing. The model demonstrates how client retention is directly impacted by targeted marketing, which also shapes customer satisfaction and trust as important psychological consequences. It is anticipated that both customer satisfaction and trust would have a favorable impact on customer retention, highlighting their crucial roles in fostering enduring customer relationships. In addition, the framework highlights the mediating roles of consumer trust and consumer satisfaction in explaining how personalized marketing leads to higher consumer retention. This suggests that the effect of personalized marketing is not only direct but also operates indirectly through increased trust and satisfaction, which serve as psychological mechanisms that enhance customers' willingness to remain loyal to a company.

RESEARCH METHODS

To investigate the associations between variables, this study uses a quantitative research approach using a causal-comparative design. This design aims to examine both

the direct impact of tailored marketing on customer retention and the indirect effects through customer happiness and trust. Because it allows for the empirical measurement of predetermined variables and statistical hypothesis testing based on structured data analysis, a quantitative approach is deemed appropriate (Sekaran & Bougie, 2016).

The population in this study consists of students from Universitas Pamulang, Serang City Campus, specifically 3rd semester (1,213 students), 5th semester (620 students), and 7th semester (159 students), with a total population of 1,992 students. The sampling technique used is purposive sampling, based on specific criteria relevant to the study objectives. Respondents are selected from individuals born between 1997 and 2013 who are active users of at least one e-commerce platform (such as Tokopedia, Shopee, Lazada, TikTok Shop, or Blibli) for at least the past six months and who have made at least three purchases in the last three months. In addition, respondents must have experienced some form of personalization, such as product recommendations, personalized discounts, or customized feeds. Based on Hair and Alamer (2022), sample size determination follows the rule of multiplying the number of indicators by 5. In this study, 20 indicators are used, resulting in a minimum sample of 200 respondents.

Consumer retention is measured using five indicators based on Malhotra (2022), including consumer satisfaction, service quality, perceived consumer value, brand image, brand strength, and consumer empowerment. Personalized marketing is measured using five indicators based on Vdovichena et al. (2024), namely customer engagement rate, accuracy of product recommendations, customer response time, return on investment in marketing campaigns, and more appropriate audience segmentation. Consumer trust is measured based on Tseng et al. (2022) through indicators including social media use, surface credibility of information, consumer involvement in social media interactions, trust in information on social media, and transparency and security for consumers. Meanwhile, consumer satisfaction is measured based on Chaturvedi et al. (2024), covering service experience, ease of access, consumer expectations, and the quality of products obtained, as well as recommendations shared with others.

A standardized questionnaire disseminated via Google Forms was used to collect data during a three-month period. A score of 1 indicates strongly disagree, and a score of 10 indicates strongly agree on the 1–10 Likert scale used in the questionnaire. In order to capture more subtle differences in respondents' impressions of personalized marketing, trust, satisfaction, and retention, this scale was selected. Structural Equation Modeling–Partial Least Squares (SEM-PLS) version 4 is used in this study's data analysis.

Assessing indicator validity using loading values larger than 0.70 and reliability testing using Composite Reliability (CR), Cronbach's Alpha (> 0.70), and Average Variance Extracted ($AVE > 0.50$) are all part of evaluating the measurement model (outer model). Additionally, the explanatory power of the independent factors on the dependent variable is ascertained by evaluating the structural model using R^2 . The mediating functions of customer satisfaction and trust are then investigated through hypothesis testing for both direct and indirect impacts using a bootstrapping technique.

RESULTS

In order to provide a clear and thorough assessment of the data, this study reports all pertinent findings, including those that might not entirely support the suggested hypotheses. The findings are succinctly provided with enough information to support the conclusions reached and guarantee that the analytical procedure and its results are well understood. In evaluating the structural model using Structural Equation Modelling (SEM) with the Partial Least Squares (PLS) approach, it is essential to distinguish between the measurement (outer) model and the structural (inner) model (Mukid et al., 2022). The outer model assesses the relationship between latent constructs and their observed indicators, ensuring that each construct is properly represented by its measurement items. In contrast, the inner model examines the relationships among the latent constructs themselves, allowing for the testing of hypothesized causal relationships within the model.

Based on the outer model assessment, all indicator loadings are estimated to exceed the threshold of > 0.70 , as presented in Figure 2. This indicates that the measurement items have strong convergent validity and are considered reliable in representing their respective constructs, thereby supporting the suitability of the model for further structural analysis.

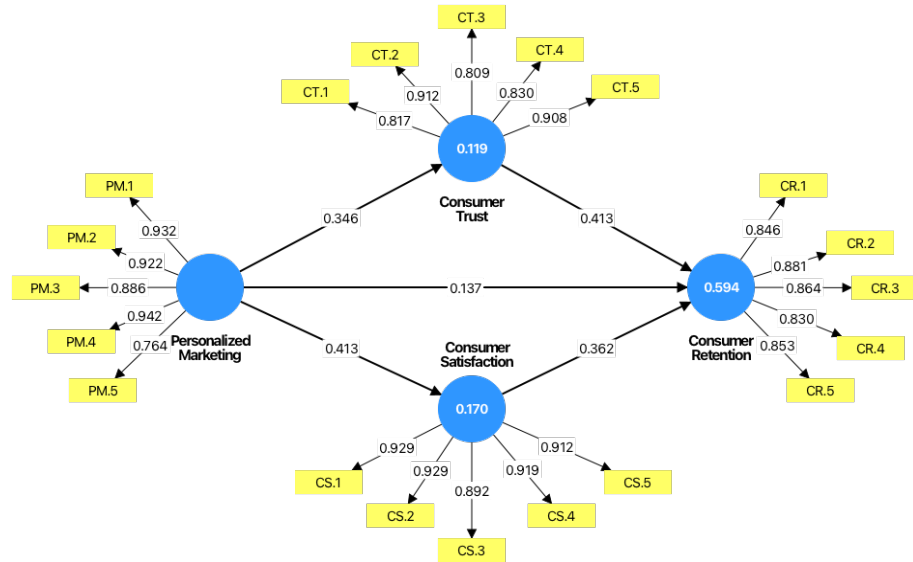


Figure 2. Validity Convergent With SEM-PLS

Based on Figure 2, each indicator has an expected factor validity of >0.70 , so this study meets the factor validity criterion. The measurement criteria for external model analysis typically include an expected external load value greater than 0.70, along with the composite reliability and Cronbach alpha value, both of which must be ≥ 0.70 , and the desired mean of extracted variance (AVE) ≥ 0.50 , to ensure the validity and reliability of the construct (Zulkifli et al., 2022). The indicator shows a high outer loading score, indicating a robust construction that is essential for a valid SEM-PLS application (Kock, 2024). In addition, the results support internal reliability, adding credibility to the measurement model.

Table 1. Cross-Loading Criterion With SEM-PLS

Variable	Indicator	CR	CS	CT	PM	Cronbach's Alpha	Composite Reliability	AVE
Customer Retention (CR)	CR1	0.846	0.535	0.628	0.265	0.908	0.932	0.731
	CR2	0.881	0.526	0.636	0.365			
	CR3	0.864	0.598	0.584	0.313			
	CR4	0.830	0.500	0.518	0.419			
	CR5	0.853	0.739	0.595	0.463			
Customer Satisfaction (CS)	CS1	0.658	0.929	0.560	0.390	0.952	0.963	0.840
	CS2	0.605	0.929	0.627	0.396			
	CS3	0.615	0.892	0.627	0.358			
	CS4	0.644	0.919	0.617	0.358			
	CS5	0.615	0.912	0.522	0.389			
Customer Trust (CT)	CT1	0.568	0.531	0.817	0.312	0.909	0.932	0.734
	CT2	0.629	0.579	0.912	0.349			
	CT3	0.590	0.601	0.809	0.230			
	CT4	0.565	0.465	0.830	0.216			
	CT5	0.618	0.577	0.908	0.356			
Personalized Marketing (PM)	PM1	0.343	0.308	0.326	0.932	0.936	0.951	0.795
	PM2	0.309	0.285	0.285	0.922			
	PM3	0.286	0.257	0.202	0.886			
	PM4	0.350	0.362	0.276	0.942			
	PM5	0.511	0.506	0.374	0.764			

Discriminant validity, which guarantees that each construct is empirically distinct from the others, is a crucial component in assessing the measurement model in PLS-SEM in addition to external loadings. According to Schuberth et al. (2023), cross-loading can be used to evaluate discriminant validity; each indicator should load more on its corresponding construct than on other constructs. All customer retention, customer satisfaction, customer trust, and personalized marketing indicators show stronger loadings on their respective constructs as compared to cross-loadings on other variables, as shown in Table 1, indicating sufficient discriminant validity.

Additionally, all constructs exhibit significant convergent validity and meet the Fornell-Larcker criterion, as demonstrated by AVE values that are higher than the suggested threshold of 0.50 (CR = 0.731; CS = 0.840; CT = 0.734; PM = 0.795). Furthermore, all constructs in the measuring model have Cronbach's Alpha and Composite Reliability values greater than 0.90, indicating good internal consistency. All things considered, these findings support the measurement model's validity, dependability, and suitability for additional structural model research.

Table 2. Fornell-Larcker Validity Discriminant

Variable	CR	CS	CT	PM
Consumer Retention (CR)	0.855			
Consumer Satisfaction (CS)	0.685	0.917		
Consumer Trust (CT)	0.694	0.644	0.857	
Personalized Marketing (PM)	0.429	0.413	0.346	0.892

Table 2 presents the discriminant validity test results using the Fornell-Larcker criterion, which aims to ensure that each construct in this study possesses a distinct identity and does not overlap conceptually with others. This criterion is satisfied when the square root of the Average Variance Extracted (AVE) for each variable (the diagonal values) exceeds its correlation with any other construct in the model. Based on the analysis, the square root of the AVE for consumer retention is 0.855, consumer satisfaction is 0.917, consumer trust is 0.857, and personalized marketing is 0.892. All of these diagonal values are higher than the off-diagonal inter-construct correlations. For instance, the correlations between consumer retention and consumer trust (0.694) as well as consumer satisfaction (0.685) remain lower than the square root of the AVE for consumer retention. A consistent pattern is observed across all other variables, thereby confirming that all constructs in the model satisfy the requirements for discriminant validity and distinctively represent separate empirical concepts without multi-collinearity or conceptual overlap. This multivariable approach allows researchers to observe interconnected effects and nuances that affect construction (Hair & Alamer, 2022). The structural model confirms the robustness of hypothetical relationships, ensuring that the model's overall suitability aligns with empirical data through testing and measurement.

Ultimately, SEM-PLS remains a robust analytical approach in a wide range of research domains, as it accommodates the interdependence of complex variables, which is common in social sciences and business studies. The ability to handle both reflective and formative measurement models simultaneously demonstrates its versatility and strengthens the validity of the findings derived from this analysis, particularly in explaining the relationships among personalized marketing, consumer trust, consumer satisfaction, and consumer retention.

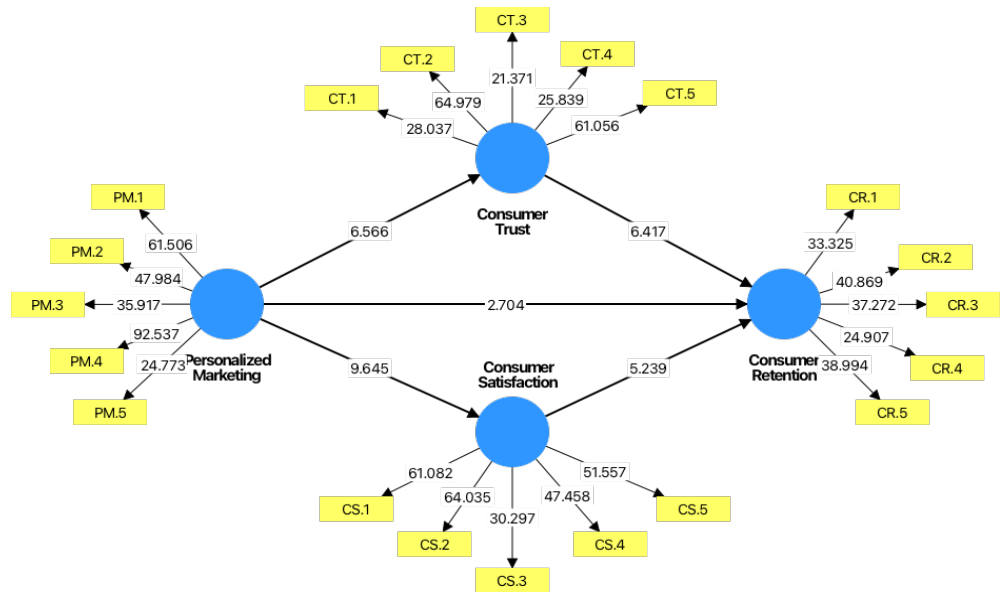


Figure 3. Bootstrapping Test With SEM-PLS

Table 3. Hypothesis Test With SEM-PLS

Variable Relationship	Original Sample	t-statistics	p-values	Decision
Personalized Marketing → Consumer Retention	0.137	2.704	0.007	Accepted
Personalized Marketing → Consumer Trust	0.346	6.566	0.000	Accepted
Personalized Marketing → Consumer Satisfaction	0.413	9.645	0.000	Accepted
Consumer Trust → Consumer Retention	0.413	6.417	0.000	Accepted
Consumer Satisfaction → Consumer Retention	0.362	5.239	0.000	Accepted
Personalized Marketing → Consumer Trust → Consumer Retention	0.143	4.526	0.000	Accepted
Personalized Marketing → Consumer Satisfaction → Consumer Retention	0.150	4.272	0.000	Accepted

The structural model results in Figure 3 and Table 3 indicate that all hypothesized relationships are statistically significant. Personalized marketing has a positive and significant effect on consumer retention ($\beta = 0.137$, $t = 2.704$, $p = 0.007$), consumer trust ($\beta = 0.346$, $t = 6.566$, $p < 0.001$), and consumer satisfaction ($\beta = 0.413$, $t = 9.645$, $p < 0.001$). These results indicate that improvements in personalized marketing strategies are associated with higher levels of consumer trust and consumer satisfaction, which also contribute directly to enhanced consumer retention.

In addition, consumer trust ($\beta = 0.413$, $t = 6.417$, $p < 0.001$) and consumer satisfaction ($\beta = 0.362$, $t = 5.239$, $p < 0.001$) both have a significant positive effect on consumer retention, showing that these two variables play an important role in strengthening long-term consumer relationships. The mediation effects are also significant, where personalized marketing influences consumer retention through consumer trust ($\beta = 0.143$, $t = 4.526$, $p < 0.001$) and through consumer satisfaction ($\beta = 0.150$, $t = 4.272$, $p < 0.001$), indicating partial mediation effects.

Table 4. Coefficient of Determination (R Square)

Variable	R Square	Interpretation
Consumer Retention (CR)	0.594	Moderate
Consumer Satisfaction (CS)	0.170	Weak
Consumer Trust (CT)	0.119	Weak

Table 4 presents an R square value of 0.594. The model's targeted marketing, consumer trust, and independent consumer satisfaction account for roughly 59.4% of the customer retention variance. The R square value of 0.119 indicates that about 11.9% of the variation

in consumer trust can be explained by the model's personalized marketing. This means that the model used is weak in capturing the factors that affect personalized marketing and consumer trust. The R square value of 0.170 indicates that about 17% of the variation in consumer satisfaction can be explained by the model's personalized marketing. This means that the model used is weak in capturing the factors that affect personalized marketing and consumer satisfaction.

DISCUSSION

The findings of this study show that personalized marketing has a positive and significant effect on consumer retention, consumer trust, and consumer satisfaction. This indicates that the implementation of personalized marketing strategies increases the likelihood of long-term customer relationships by delivering tailored messages, recommendations, and promotions based on individual preferences. This result is consistent with Pizzi et al. (2021), who emphasize that personalization is essential in modern digital marketing because consumers are exposed to a wide range of alternatives, requiring companies to provide more relevant and meaningful experiences.

Furthermore, personalized marketing is found to enhance consumer trust and consumer satisfaction. When customers receive tailored communication that reflects their needs and preferences, they tend to develop stronger trust and perceive higher value from the company. This finding aligns with Huang and Rust (2018) and Gao and Liu (2023), who argue that personalization builds emotional connections and reduces psychological distance between customers and companies. In addition, it is also consistent with Yin et al. (2025), who state that personalized digital interactions significantly improve customer satisfaction by increasing relevance and perceived understanding of customer needs.

The findings further indicate that consumer trust has a positive and significant effect on consumer retention. This means that higher levels of trust lead to stronger customer loyalty and a reduced likelihood of switching to competitors. This result is consistent with Muninger et al. (2022), who identify trust as a critical factor in sustaining long-term customer relationships in competitive markets. It is also supported by Dewobroto et al. (2022), who found that trust reduces perceived risk in digital transactions and increases loyalty intentions. Therefore, this study confirms that trust plays an essential role in maintaining long-term consumer relationships.

Similarly, consumer satisfaction is found to have a positive effect on consumer retention. This suggests that satisfied customers are more likely to continue using the same product or service rather than switching to competitors. This finding aligns with El-Said and Al Hajri (2022) and Kim (2022), who explain that satisfaction drives continuance intention and strengthens long-term commitment. It is also supported by Kindermann et al. (2022), who state that satisfaction reduces switching intention in digital service environments. Hence, this study reinforces existing literature that satisfaction is a strong predictor of customer retention.

The results also show that consumer trust mediates the relationship between personalized marketing and consumer retention. This indicates that personalized marketing enhances trust, which subsequently increases retention. This finding is consistent with Hidayat and Idrus (2023), who explain that trust reduces uncertainty in digital interactions and increases continuance intention. It is also supported by Islam and Sinniah (2025), who highlight that trust fosters emotional attachment that leads to long-term loyalty. Therefore, the mediating role of trust is confirmed in strengthening customer relationships.

Moreover, consumer satisfaction is found to mediate the relationship between personalized marketing and consumer retention. This means that personalized marketing increases satisfaction, which then leads to higher retention. This result is consistent with Dwivedi et al. (2024), who argue that satisfaction enhances repurchase intention through improved perceived value. It is also aligned with Minhaj and Khan (2025), who explain that satisfaction creates psychological switching costs, reducing customers' intention to change providers. Additionally, Salamah et al. (2022) support the view that satisfaction is

a key strategic factor in sustaining long-term customer relationships. Thus, this study confirms the mediating role of satisfaction in customer retention.

The findings consistently demonstrate positive and significant relationships among personalized marketing, consumer trust, consumer satisfaction, and consumer retention. All results are in line with previous studies, indicating no contradictory evidence and reinforcing the robustness of these relationships in digital marketing contexts. These results imply that companies should prioritize personalized marketing strategies as a key approach to strengthening customer relationships by enhancing trust and satisfaction, which in turn drives higher consumer retention and long-term engagement in competitive digital markets.

CONCLUSION

The findings of this study confirm that personalized marketing has a positive effect on consumer retention, consumer trust, and consumer satisfaction. In addition, consumer trust and consumer satisfaction significantly influence consumer retention, while both variables also mediate the relationship between personalized marketing and consumer retention. These results indicate that personalized marketing is an important strategy in strengthening long-term customer relationships by enhancing trust and satisfaction, which ultimately drives retention. All hypotheses are supported and consistent with prior research, confirming the robustness of these relationships in digital marketing contexts.

The managerial implication of this study suggests that companies should prioritize the implementation of personalized marketing strategies supported by data analytics and CRM systems to deliver more relevant customer experiences. By doing so, firms can strengthen consumer trust and satisfaction, which are key drivers of customer retention. In addition, organizations should maintain transparent and secure communication to reinforce long-term relationships with customers. However, this study has several limitations. It focuses only on a specific context and does not fully capture variations across different industries or broader consumer populations. The cross-sectional design also limits the ability to observe long-term behavioral changes in consumer retention.

For future research, it is recommended to expand the study into different sectors beyond digital platforms, such as service industries and offline retail environments. Future studies may also incorporate cultural factors, regulatory influences, and technological developments that could affect the effectiveness of personalized marketing. Longitudinal approaches are also suggested to better understand the long-term impact of personalization on customer loyalty and retention.

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