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CUSTOMER CONFIDENCE AS A BUSINESS ASSET: THE ROLE OF TRANSPARENCY AND DATA ETHICS IN LOYALTY AND REPUTATIONAL RESILIENCE

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Abstract - *Customer confidence is a strategic asset that determines the quality of long-term relationships between customers and companies, especially in the context of digital services that rely on data management. This research aims to synthesize the literature on how transparency and data ethics contribute to the formation of customer confidence and its impact on repeat purchases, word of mouth, and business resilience when facing a reputation crisis. The method used is a qualitative literature study with thematic synthesis, through a process of coding, grouping themes, and formulating analytical themes to coherently link key concepts. The synthesis results show that transparency oriented towards comprehensibility and consistency of communication strengthens perceptions of integrity, while data ethics strengthens customer confidence that the company respects their autonomy and dignity through restrictions on data use, provision of real control, and accountability when problems arise. The confidence that is formed reduces the perception of risk, increases the tendency for repeat purchases, and encourages positive word of mouth because customers feel safe recommending the company. In a reputation crisis, it is essential to understand that confidentiality is a relational reserve that prevents a decline in loyalty and provides space for reputation recovery through transparent and responsible responses. This research concludes that transparency and data ethics should be understood as relational strategies that influence business outcomes through the mechanism of confidence, not merely administrative compliance.*

Keywords: customer confidence; transparency; data ethics; privacy; customer loyalty; repeat purchase; word of mouth; reputation crisis; business resilience.

INTRODUCTION

Customer confidence is increasingly understood as a fragile but highly valuable business asset. It is formed through a series of experiences that are read, interpreted, and then remembered by customers when dealing with brand promises, services, quality, and the company's attitude towards the public. In everyday experiences, customers assess whether a company is trustworthy through seemingly simple signs, such as consistency of information, clarity of procedures, accuracy of delivery, and the company's willingness to admit mistakes. From these accumulated assessments, customers form a practical understanding of the company's good intentions, capabilities, and integrity. Confidence, therefore, is not just a positive feeling, but an assessment that guides decisions, including the decision to buy again, tell others about the experience, or walk away (Dalla Pozza, 2015). When the market moves quickly and reputation is easily shaped by the flow of information, trust becomes a buffer that influences the stability of the company's relationship with customers. Because it is built through the interpretation of experiences, trust needs to be understood through the way customers make sense of transparency, data policies, and the company's ethical behavior. As shown in previous studies, this trust is built from concrete direct experiences and is a key predictor of long-term customer loyalty (Darmawan, 2018).

Major changes in the digital economy are driving companies to rely on customer data for personalization, automation, and operational efficiency (Dąbrowska et al., 2024). This practice expands opportunities for value, but at the same time raises ethical questions that cannot be ignored. Customers are aware that their data is collected, stored, shared, and processed for various purposes. This awareness has given rise to new demands for openness, reasonable explanations, and assurances that data is being used fairly. Inadequate transparency, convoluted policy language, or formalities of consent can be interpreted as dishonesty. At the same time, excessive transparency without structure can cause confusion and information fatigue, making customers feel as if they are being forced to agree to something they do not understand. Transparency therefore needs to be positioned as a responsible communication practice, not merely an administrative requirement. In the eyes of customers, data ethics and transparency shape their perception of their dignity as subjects, not objects of exploitation. The application of ethical principles in data management and communication is not merely a matter of compliance, but rather a strategic foundation for corporate sustainability and building mutually trusting relationships with stakeholders (Mardikaningsih & Darmawan, 2022). These ethical considerations are increasingly crucial in the contemporary digital economy, where public participation and social trust are also influenced by issues of the digital divide and the dissemination of information (Issalillah & Hardyansah, 2022; Gani et al., 2025).

In the realm of service and marketing, loyalty can no longer be narrowed down to repeated purchases due to incentives or barriers to switching. Lasting loyalty tends to be rooted in proven trust, namely the belief that the company will act in line with customer interests when difficult choices arise. When customers perceive a company as honest about its products, firm against data misuse, and fair in disputes, they maintain a belief that allows for tolerance (Dezao, 2024). This tolerance is important because business relationships almost always encounter moments of imperfection, such as delays, service defects, or miscommunication. In such circumstances, customers interpret the company's response as a tangible moral statement. This is where loyalty develops as a willingness to stay connected, not because there are no alternatives, but because the choice to stay is considered rational and dignified. This kind of loyalty has the potential to encourage stable repeat purchases and shape positive narratives that customers share through conversations within their communities. Therefore, building sustainable loyalty requires a marketing approach that focuses on relational value and brand resilience (Alamin et al., 2021), which is also relevant in the context of the new labor market dynamics (Ishaq & Darmawan, 2021).

Word of mouth, including that which occurs in the digital space, accelerates the spread of stories about companies, both those that strengthen trust and those that undermine it. Customer stories rarely take the form of objective reports; they commonly appear as narratives containing assessments, emotions, and moral conclusions. In such stories, transparency and data ethics often serve as indicators of whether a company respects its customers. Even when product quality is good, issues of data misuse or misleading communication can change the tone of the conversation and trigger collective rejection (Hemker et al., 2021). Conversely, consistent openness, understandable explanations, and visible data protection can create spontaneous defense from customers when rumors or accusations arise. In this sense, word of mouth can be read as a mirror of public interpretation of a company's character. Because word of mouth is intertwined with customers' social identities, companies need to understand that trust is not merely individual in nature, but circulates as a shared meaning that can strengthen or undermine reputation.

An aspect that is often overlooked is business resilience in the face of a reputation crisis. Reputation crises rarely come with neat warnings; they often arise through data leaks, communication errors, or findings of unethical behavior that spread quickly. In such situations, companies are tested not only on their technical ability to repair the damage, but also on their ability to maintain legitimacy in the eyes of customers. Established trust can serve as a social reserve that prevents escalation of rejection, helping companies gain opportunities to explain, repair, and restore relationships. This reserve does not come about on its own; it relies on consistent transparency, firm data ethics, and a track record of treating customers fairly. Literature reviews that examine the link between trust and repeat purchases, word of mouth, and business resilience during reputation crises are therefore relevant for formulating a strong conceptual understanding (Agu et al., 2024). This understanding is necessary for companies to assess what customers actually value when they say, “I trust you.” This value is often mediated by satisfaction derived from real experiences, which ultimately strengthens loyalty (Darmawan, 2022).

Academic debates and managerial practices often simplify trust as a result of satisfaction or service quality, when in fact customers form their assessments through a series of interpretations of company actions relating to openness and the treatment of personal data. As a result of this simplification, companies may feel that they are being “transparent” by providing privacy policies, while customers interpret the language of these policies as a form of avoidance of responsibility. There is a gap between transparency as a document and transparency as understandable communication, which then affects customer confidence in the company's integrity. At the same time, data ethics is often positioned as a compliance issue, rather than as a moral dimension that customers read into their service experience (Gupta & Bala, 2024). This interpretive gap makes the relationship between transparency, data ethics, and trust difficult to map systematically. Without clear mapping, the concept of trust risks being used loosely, obscuring the mechanisms that explain why customers choose to repurchase or terminate a relationship.

Another problem arises when the relationship between trust and repeat purchases, word of mouth, and business resilience during a reputation crisis are discussed separately. Repeat purchases are often associated with incentives and convenience, word of mouth is understood as a result of satisfaction, while resilience during a reputation crisis is treated as a matter of crisis management and communication. This separation ignores the fact that all three can be linked by a common thread of meaning, namely customer confidence in the company's good intentions and integrity. When a reputation crisis occurs, customers do not view the event as merely a technical incident, but rather as a test of the company's character (Stravinskienė et al., 2021). If the literature review does not integrate the discussion of transparency, data ethics, and loyalty into an adequate framework, then the relationship between variables will appear coincidental. This makes it difficult for researchers to explain how customer narratives are formed, how they spread, and how they change repeat purchase decisions. The main problem, therefore, lies in the need for a conceptual synthesis that connects the dimensions of morality, communication, and customer behavior into a single coherent line of explanation.

The current business dynamics make customer trust a determining factor in costs and relationship sustainability. Companies are faced with customers who are increasingly sensitive to the discrepancy between brand claims and actual practices, especially regarding data usage. This sensitivity is reinforced by customers' ability to compare services across brands, read reviews, and form collective judgments in a short period of time. In such situations, symbolic transparency can trigger distrust, as customers perceive the company as managing its image rather than its responsibilities (Hemker et al., 2021). Conversely, structured transparency and verifiable data ethics signal integrity, which helps customers stabilize their purchasing decisions. A literature review is needed to organize our understanding of how customers link their experience of corporate communication with their willingness to make repeat purchases. It is also needed to explain the process of changing beliefs, from initial trust to enduring loyalty. With this understanding, companies can assess vulnerable points that are often overlooked, such as when personalization exceeds reasonable limits and creates a feeling of being monitored.

The company's reputation is now subject to a flow of information that is difficult to control, making the ability to survive a reputation crisis a real managerial issue. When negative news spreads, customers assess the speed, honesty, and fairness of the company's actions. This assessment does not stand alone; it relies on customers' memories of the company's track record of transparency and data governance. If customers perceive the company as one that prioritizes customer dignity, then the public reaction tends to allow room for improvement (Dominic et al., 2024). If the opposite perception is formed, a reputation crisis can easily turn into a chain reaction of rejection through word of mouth. A well-designed literature review can unravel the link between meaning built through transparency, data ethics norms, and loyalty stability. Such an analysis is useful for academics to strengthen their theoretical framework and for practitioners to view reputation risk as a relational issue, not merely a communication issue. This topic is therefore worthy of study as a conceptual foundation for more responsible business decisions.

This literature review aims to develop a conceptual synthesis of customer trust as a business asset by placing transparency and data ethics as its foundation, then linking it to loyalty as reflected in repeat purchases, word of mouth, and business resilience when reputation is shaken. The description is intended to confirm the path of meaning used by customers when assessing a company's integrity, including how customers interpret information disclosure, clarity of consent, treatment of personal data, and consistency of actions when problems arise. Theoretically, this paper consolidates key concepts so that the relationship between trust, repeat purchasing behavior, customer storytelling, and reputation stability can be explained coherently. Practically, this paper provides a framework to help companies assess the quality of transparency, set accountable data ethics standards, and design crisis responses that maintain legitimacy in the eyes of customers. The final result is expected to serve as a conceptual reference for further research and a reflective guide for decision makers.

RESEARCH METHODS

This research uses qualitative literature study with a thematic synthesis orientation to build a conceptual understanding of customer trust as a business asset based on transparency, data ethics, and loyalty. This design positions literature as a corpus of texts that are systematically interpreted to find patterns of meaning, patterns of argument, and relationships between ideas. The thematic synthesis process follows the steps described by Thomas and Harden (2008), namely line-by-line coding of relevant texts, development of descriptive themes, and then formulation of analytical themes that go beyond summarizing the content. The thematic analysis technique developed by Braun and Clarke (2006) was used to confirm the familiarization stage, initial code formation, theme review, and theme definition so that the synthesis structure was consistent. The entire analysis process is supported by the principles of organizing and drawing conclusions in qualitative data as formulated by Miles et al. (2014), so that the synthesis produces clear, coherent arguments that can be traced back to the sources used.

The literature search strategy was designed to resemble the systematic review process in social sciences so that the selection process would be transparent and replicable, referring to Petticrew and Roberts (2006). The literature screening and selection reporting flow follows the PRISMA reporting principles as outlined by Moher, Liberati, Tetzlaff, Altman, and the PRISMA Group (2009), primarily to maintain transparency regarding the stages of identification, screening, eligibility, and inclusion. The inclusion criteria included indexed journal articles, academic books, and reputable proceedings that discussed the formation of customer trust through information disclosure, data governance, and its implications for repeat purchases, word of mouth, and reputation stability. Exclusion criteria include popular sources without scientific basis, duplication, works that do not provide adequate conceptual or methodological information, and publications whose focus shifts from company-customer relations.

Coding was carried out in stages to ensure consistency of interpretation and quality of synthesis. The coding framework referred to the detailed principles of qualitative coding as described by Saldaña (2013), beginning with open coding to identify definitions of trust, indicators of transparency, data ethics constraints, and the authors' proposed mechanisms regarding loyalty. The next stage uses axial coding to connect separate categories, such as how transparency is understood as a signal of integrity, how data ethics is interpreted as dignified treatment of customers, and how both are related to repurchase decisions and the dissemination of customer stories. To maintain analytical rigor, the qualitative data analysis procedures of Miles et al. (2014) were used as a reference in constructing the theme matrix, examining the proposed cause-and-effect relationships, and assessing the strength of conceptual evidence. Quality assurance was carried out through audit trails, recording analytical decisions, and critically assessing the validity of sources using the qualitative assessment guidelines from CASP (2014). When there were doubts about the consistency of findings across sources, the methodological guidelines from the Joanna Briggs Institute (2014) were used to help determine synthesis decisions, particularly regarding conceptual consistency, comparability, and caution in drawing analytical themes.

RESULTS AND DISCUSSIONS

Building Customer Confidence through Transparency and Data Ethics

Customer trust is formed through a continuous process of interpretation when customers encounter brand promises, service procedures, and corporate communication styles (El-Annan & Hassoun, 2024). Customers do not accept information as standalone facts, but rather as signs that must be read: whether the company is speaking honestly, whether it is hiding important information, and whether it values the intelligence of its customers. In this process, transparency serves as the main reading material, namely openness about what is offered, how decisions are made, and what the consequences are for customers. Confidence then emerges as a practical conclusion that the company is reliable and will not betray the interests of customers when difficult decisions must be made. Because of this, trust is closer to an assessment of the character of the organization than mere momentary satisfaction. This character assessment is built from details that are often viewed as administrative, such as how the company writes its terms of service, explains costs, and responds to sensitive questions. When these details are consistent, customers perceive integrity. The integrity built from these details is the initial foundation of trust (Darmawan, 2019).

Transparency that builds confidence is not simply a matter of "the amount of information," but rather the quality of comprehensibility and accuracy of information for customer needs (Sansome et al., 2024). Customers tend to judge openness through the clarity of the message structure, the use of non-deceptive wording, and the company's willingness to disclose the limitations of its products or services. Effective openness gives customers room to reasonably estimate the risks and benefits, so that purchasing decisions feel like autonomous decisions. Conversely, information that is deliberately obscured encourages suspicion that the company is relying on knowledge asymmetry. This suspicion easily arises in promotions that highlight benefits but obscure important prerequisites in the fine print, or in subscription mechanisms that make cancellation difficult. In the customer's view, such practices signal low integrity, even if the product quality is adequate. Confidence, at this stage, grows from the experience that the company helps customers understand, rather than encouraging customers to give in to complexity. Transparency that prioritizes understanding becomes a tangible form of respect.

Data ethics is an increasingly critical area for building trust, as data touches on customers' identities, habits, preferences, and privacy boundaries (Dezao, 2024). Customers interpret data ethics through simple questions: does the company collect data that is necessary, are the purposes reasonable, and does the company refrain from excessive use? Trust is strengthened when customers see clear principles of purpose limitation, data minimization, and security. Many customers do not assess data ethics through technical terms, but rather through whether their experience feels reasonable or unreasonable, such as overly precise advertising or recommendations that seem to know things they have never disclosed. Such experiences can be interpreted as the benefits of personalization or as a form of surveillance, depending on how clear the explanation is and how much control is given. The data ethics thus become a moral language that customers translate from everyday digital practices. When companies explain the purpose of data processing concisely and provide real choices, customers tend to conclude that there is good intent.

The relationship between transparency and data ethics is not mechanical; the two reinforce each other as a single assessment of trustworthiness. Transparency without data ethics can be interpreted as cold openness, namely the acknowledgment that data is widely used, but without moral boundaries that protect customers. Conversely, claims of data ethics without transparency are easily suspected of being rhetoric, because customers have no way of verifying whether the claims are true (Sansome et al., 2024). Confidence is built when customers see coherence between what is said and what is done. Coherence is evident when companies provide information that matches the experience of using the service, such as notifications of policy changes that are easy to understand and not hidden, as well as privacy settings that actually work. At this point, customers build confidence that the company has internal discipline, not just communication skills. This discipline is evident through consistency: the same promises across various channels, procedures that do not change without explanation, and non-defensive responses when customers ask questions. This kind of coherence is a source of security.

Confidence is also influenced by how companies manage uncertainty and mistakes. Customers understand that service disruptions, delivery errors, or security incidents can occur (Sihombing & Dinus, 2024). What is assessed is how the company narrates the incident and how it acts afterwards. Transparency when problems occur requires timely acknowledgment, sufficient explanation, and a commitment to measurable action. At the same time, data ethics demands real protection for victims, such as honest notification, mitigation measures, and recovery support. If a company delays acknowledgment or blames others without showing responsibility, customers interpret this as a cover-up. This motive-damages trust because it changes perceptions about the character of the organization. Conversely, calm and accountable explanations allow customers to see integrity and respect for the public. Even in minor crises, the way a company communicates is an indicator of whether it treats customers as partners who deserve to be informed. Customers build long-term confidence based on this indicator.

Confidence is also built through repeated communication “traces,” not a single statement. Customers pick up on patterns: whether the company is consistent in explaining costs, whether it changes terms without adequate notice, whether it uses misleading terminology, or whether it avoids questions about data. These patterns form a micro-reputation in the minds of customers, a reputation born of personal experience, not advertising. In hermeneutic reading, customers combine various pieces of experience into a complete picture of the company's intentions. Even small actions, such as how service personnel answer privacy questions, can become symbols of company values. If the answer contains false assurances or dismisses concerns, customers interpret that the organization lacks ethical sensitivity. If the answer acknowledges the limits of knowledge and then offers a clear escalation path, customers interpret that there is a culture of responsibility. Confidence then emerges as a decision to open up in the relationship, including a willingness to share necessary data (Keymolen, 2023). This relationship is reciprocal, but the starting point is the credibility of communication. The credibility of corporate communications shapes a credible brand image, which is an important pillar of brand trust (Issalillah et al., 2022).

Customer control is an important bridge between data ethics and confidence. Control is not enough to be a hidden option; it must be easy to find, easy to understand, and effectively stop unwanted practices (Richards & Hartzog, 2016). Customers view control as proof that the company respects autonomy, not just complying with formalities. For example, the option to opt out of tracking or disable personalization will be read as an acknowledgment that customer preferences are valid. When controls are made complicated, customers interpret this as an intention to maintain unilateral advantage. This interpretation undermines trust even before any actual harm occurs, as customers perceive a latent risk. At the same time, good controls give customers the confidence to continue using the service, because they feel empowered to set boundaries. This sense of security is not an abstract feeling, but rather the result of the experience that customer actions produce appropriate changes. Confidence then grows as a belief that the company will not “take more” when customers are not paying attention. In practice, the quality of controls often distinguishes between meaningful transparency and decorative transparency.

Procedural fairness in data and service management helps build trust, especially when disputes or customer requests arise (Waseem et al., 2024). Customers assess whether the company provides reasonable complaint channels, whether data deletion requests are handled transparently, and whether customers with different bargaining power are treated equally. Confidence increases when customers see that rules are applied consistently, rather than changing according to the company's interests. Procedural fairness is also evident in the use of automation, such as decisions to reject transactions or restrict accounts. If automated decisions are not explained and cannot be appealed, customers interpret this as unilateral power. This interpretation can undermine confidence in good intentions, as customers feel they are being treated as objects of the process rather than as parties with a voice. Conversely, a brief explanation of the reasons for the decision, accompanied by a human review mechanism, signals that the company recognizes the dignity of its customers. This signal strengthens confidence because it demonstrates the company's willingness to bear the burden of accountability. In the long term, procedural fairness builds a reputation as a predictable and fair organization.

Confidence cannot be separated from the customer's ability to distinguish between authentic openness and image-building openness (Wilton, 2017). Authentic openness is evident in the alignment between public messaging and system design, for example how privacy defaults are set, how consent is requested, and how the company restricts third parties. Customers read design as a language of action: if defaults encourage the widest possible sharing of data, while public messages profess respect for privacy, customers detect a contradiction. Such contradictions are more damaging than the absence of ethical claims, because customers feel deceived. Conversely, when system design favors protection, for example through conservative settings from the outset and clear options for expansion, customers read this as moral caution. This caution makes it easier for customers to trust the company's narrative when explaining the benefits of personalization or analytics. Confidence building is therefore material; it is embedded in design choices and procedures, not limited to value statements. Customers interpret a company's values through their experience of using its features, not through slogans. It is this interpretation that stabilizes confidence.

Competence also plays a role in building trust, but the competence in question includes ethical competence and communication competence (Herder & van Maaren, 2020). Customers assess whether a company is capable of protecting data technically, but they also assess whether the company is capable of explaining that protection without covering up the risks that still exist. When companies make unrealistic absolute guarantees, critical customers will perceive dishonesty or ignorance. Both interpretations undermine trust. Conversely, communication that acknowledges residual risks, explains the limits of protection, and describes measurable corrective measures will be interpreted as organizational maturity. This maturity provides a basis for customers to accept that business relationships involve uncertainty, but that uncertainty is managed responsibly. Ethical competence is also evident in employee training, consistency in responses, and consistency in case handling. If customers find sharp differences in responses between service channels, they interpret this as the organization being out of control. This lack of control erodes trust because it implies a weak commitment. Organizational competencies, including technical, ethical and communication skills, are fundamental prerequisites for building trust and, ultimately, determining business resilience and sustainability, as found in studies on business competitiveness (Mardikaningsih et al., 2022). A weak commitment to service consistency and product quality will have a negative impact on loyalty, as customers view these things as a reflection of the company's core competence and integrity (Hariani & Sinambela, 2020).

The establishment of confidence is also influenced by the limits set by companies on the exploitation of customer attention and vulnerability. Design practices that encourage impulsive consent, pressure customers to share data, or lock in choices through manipulative layouts can be interpreted as ethical violations (Häuselmann & Custers, 2024). Customers do not always call it manipulation, but they feel uncomfortable and interpret it as the company pursuing its own interests. In such circumstances, transparency loses its meaning because customers feel directed rather than given choices. Conversely, when companies present choices in a balanced manner, explain the consequences of each choice, and avoid pressure, customers perceive respect. Respect is important because it reinforces the feeling that the business relationship is built on genuine consent. Sincere consent then becomes the foundation for more stable trust, because customers do not feel “trapped” by the system. In long-term relationships, customers will remember how they were treated when they were first asked to consent to data processing. That memory serves as a moral reference when customers assess the company's actions in the future.

Overall, transparency and data ethics build customer trust through the interpretation of service experiences and ongoing corporate communications. Customers interpret openness as a sign of integrity, and data ethics as a moral boundary that protects their dignity and autonomy. Confidence strengthens when there is coherence between messages and system design, when customers have real control, and when companies demonstrate procedural fairness and accountability in routine situations and when problems arise. Confidence weakens when there is a lack of clarity in information, contradictions between claims and practices, or defensive communication patterns. In this line of interpretation, seemingly administrative details become indicators of organizational character, as customers piece together their experiences into conclusions about the company's good intentions, competence, and consistency. The end result is a practical belief that the company is a worthy transaction partner and deserves the space to manage personal information responsibly. This practical belief ultimately manifests itself in loyal behavior, where customers not only make repeat purchases but also recommend the brand to others, as influenced by perceptions of quality, price, brand image, and product technological innovation (Al Hakim, 2022; Irfan & Hariani, 2022). This summary provides a conceptual basis for linking trust with loyalty behavior and public response in the next stage.

Customer Confidence, Repeat Purchases, Word of Mouth, and Business Resilience in a Reputation Crisis

Customer confidence is closely related to repeat purchases because it changes purchasing decisions from momentary calculations to choices that feel safe and worth repeating. When customers feel confident, the risks they imagine decrease, both functional risks related to quality and psychological risks related to regret and feeling cheated. This reduction in perceived risk makes customers quicker to make decisions on subsequent purchases, reduces the need to compare many alternatives, and increases tolerance for minor variations in service experience (Fox et al., 2022). Repeat purchases in such circumstances often take the form of rational cognitive effort savings, as customers believe the company has proven itself to keep its promises. Confidence also strengthens feelings of relational ownership, which is the belief that the company knows customer preferences without overstepping reasonable boundaries. When companies consistently explain processes, costs, and data policies in clear language, customers view repeat transactions as actions that are in line with the principle of prudence. From that point on, repeat purchases become an indicator of relationship stability, not just a habit.

Confidence operates as a psychological bond that keeps customers in the relationship even when cheaper or faster alternatives appear. Confident customers believe that the total value of a transaction includes certainty, procedural fairness, and a sense of respect. This total value is often invisible in price comparisons, but is felt in the experience when questions, complaints, or assistance are needed. Repeat purchases are more likely when customers are confident that if something goes wrong, the company will handle it without blaming the customer or hiding information (Rejitha & Jayalakshmi, 2024). This confidence changes the incentive structure in the customer's mind: switching costs are not just technical costs, but the cost of losing moral certainty and service certainty. This confidence also encourages customers to share the data needed for more relevant services, thereby naturally improving the user experience. A more relevant experience reduces friction, reinforces stable satisfaction, and reaffirms customer confidence. This sequence creates a cycle of repetition driven by a sense of security and predictability.

The relationship between confidence and repeat purchases becomes increasingly important when transactions involve personal information, digital payments, or subscription services. In these types of transactions, customers are not just buying products, they are also handing over access, identity, and behavioral traces (Khan & Mohamadali, 2023). Confidence makes this surrender seem reasonable because customers believe that companies have moral boundaries in data management and operational discipline in maintaining security. Without trust, customers tend to try once and then stop, or make sporadic purchases while keeping their distance. In many cases, hesitant customers will refrain from features that require additional permissions, resulting in incomplete service benefits and a less satisfying experience. Confidence reduces this hesitation and allows customers to use the service more fully, which ultimately strengthens the reason to repeat purchases. When companies are transparent about price changes, policy changes, or feature changes, customers feel they are being treated as partners who have a right to know. This kind of treatment adds to the reasons for remaining loyal in repeat purchasing practices.

Word of mouth occurs when customers feel they have a story worth sharing, and trust gives that story moral weight (Luo et al., 2018). Customers rarely share neutral experiences; they share experiences they consider fair, disappointing, impressive, or surprising. Confidence encourages recommendatory word of mouth because customers feel safe putting their personal reputation behind the recommendation. Recommendations are a social gamble: customers are betting on others' judgment of their ability to choose. If customers confidence in the company's integrity, the gamble feels reasonable. Conversely, when confidence is low, customers tend to withhold recommendations, or even issue warnings. In the age of digital reviews, customer stories often shape the collective picture of a company's character. Transparency and data ethics are frequent story topics, for example how a company explains its use of data, how it gives users control, and how it responds to concerns. Word of mouth shaped by such moral experiences tends to stick longer than stories about discounts or features alone.

Confidence also influences the structure and style of word of mouth. Trusting customers tend to construct narratives that emphasize consistency, honesty, and ease of dealing with problems (Celuch et al., 2018). These narratives serve as social proof for potential customers who do not yet have direct experience. Customers who feel they have been treated unethically, on the other hand, often construct investigative narratives, highlighting what they perceive to be hidden issues and urging others to be more vigilant. These differences in narrative style determine how widely a story spread. Narratives that contain moral judgments often trigger emotional responses, making them easier to share. Companies need to understand that decisions regarding data and transparency are not just about compliance, but also become topics of public conversation. When customers find consistency between a company's statements and their actual experiences, they conclude that the company is trustworthy and simplify the story into a catchy phrase. Catchy phrases reinforce word of mouth, allowing reputations to spread quickly through social networks.

Repeat purchases and word of mouth reinforce each other through trust. Customers who continue to make repeat purchases have more experience, and consistent experiences enrich the stories they share (Zhao et al., 2023). Consistent experiences also reduce ambiguity, making recommendations sound decisive and convincing. In the social sphere, recommendations from customers who repeatedly use a service are often considered more credible. This credibility increases the probability that others will try the service, which ultimately expands the customer base and strengthens revenue stability. This relationship is not automatic, however; it depends on whether the repeated experience remains consistent with the company's promises. If, on their next purchase, customers discover a seemingly subtle change in data policy, word of mouth can quickly turn against the company as customers feel betrayed after placing their confidence in it. Betrayal in business relationships often generates more intense stories than ordinary disappointment. Maintaining consistency in transparency and data ethics is therefore a prerequisite for keeping the cycle of repeat purchases and word of mouth on a strengthening trajectory.

Business resilience during a reputation crisis can be understood as an organization's ability to maintain commercial functions and social legitimacy when negative information arises that triggers public doubt (Zhuang & Zeng, 2018). In times of crisis, existing trust acts as a relational reserve. This reserve gives companies time to explain, improve, and demonstrate responsibility without immediately losing all of their customers. Trusting customers tend to withhold final judgment until there is an adequate explanation, especially if they have had previous experiences with the company being honest. They may remain critical, but they will not rush to conclude that there is malicious intent. Conversely, if prior to the crisis customers had already judged the company to be evasive in its communications, even a minor crisis can trigger panic, boycotts, and subscription cancellations. In such circumstances, the company loses room for recovery because the public interprets the incident as evidence of old patterns. Business resilience, therefore, depends on the quality of trust built long before the crisis, not solely on communication techniques during the crisis.

Reputation crises are often followed by an explosion of moralistic word of mouth, and this is where confidence influences the direction of the conversation (Corradini & Nardelli, 2020). If customers believe in the company's integrity, some customers may act as narrative counterbalances, for example by asking for evidence, waiting for clarification, or recalling positive experiences. Narrative counterbalances do not mean blind defense; they usually take the form of calls for fair assessment. Such calls are important because they reduce the effect of spreading unverified rumors. If confidence is low, however, word of mouth tends to reinforce collective anger, with every piece of information interpreted as additional evidence. In this situation, even accurate clarifications may be rejected because the public has already judged the company to be dishonest. Reputation resilience therefore requires not only a quick response, but also symbolic capital in the form of a track record of openness. This track record makes the company's statements more likely to be considered credible. Credibility reduces public resistance to the corrective measures offered.

Repeat purchases during a reputation crisis are a sensitive indicator of the strength of confidence (Auger, 2014). Trusting customers may delay purchases, reduce usage, or wait for policy updates, but they do not immediately sever ties. They tend to look for signs of recovery, such as independent audits, procedural changes, fair compensation, and verifiable system updates. If these signals appear and are deemed sincere, customers may return to their repeat purchasing patterns, even with a greater commitment because they feel the company has learned its lesson. If the company responds with denial, deflection, or language that belittles concerns, even customers who were initially trusting may become disappointed, and this shift is often accompanied by strong negative word of mouth. In business relationships, disappointment after trust carries significant moral weight. Companies must therefore understand that a reputation crisis tests not only their systems but also the quality of the relationships they have built. The outcome of this test is reflected in repeat purchase decisions made after the crisis, not merely in public statements.

Transparency in times of crisis needs to be distinguished from spontaneous openness. Customers assess whether the information provided is structured, whether there is clear acknowledgment, and whether the company sets reasonable limits on what is already known and what is still being investigated (Kang et al., 2023). When companies provide a consistent chronology, name mistakes accurately, and explain mitigation measures, customers find it easier to interpret the response as responsible. Data ethics in a crisis demands protection for those affected, including dignified notification, recovery support, and a testable commitment to prevention. If a company focuses on protecting its image and ignores the impact on customers, the public perceives a misplaced priority. This interpretation exacerbates the crisis by fueling narratives of injustice. Conversely, when companies place customer safety at the center of their actions, their reputation has a chance to recover because the public sees a moral orientation. It is this opportunity for recovery that makes businesses more resilient under pressure.

In the post-crisis dynamic, word of mouth can become a means of reputation recovery if companies are able to produce evidence that is accessible to the public (Iveson et al., 2022). Such evidence can take the form of improvements to consent designs, strengthened privacy settings, transparent incident reporting, or changes to third-party policies. Confiding customers tend to pay attention to this evidence and share it as good news, especially if they feel that the company has the courage to admit its shortcomings. Admission accompanied by improvement provides a strong narrative of recovery: the company fell, admitted it, improved, and then maintained its position. This narrative is easily accepted because it is in line with moral expectations of responsibility. If the company relies on communication campaigns without real change, the public will perceive insincerity, and word of mouth will serve as a reminder of the contradiction. At this stage, trust becomes a filter: trusting customers look for reasons to give the company another chance, while distrustful customers look for reasons to reinforce their rejection. Recovery management therefore requires visible, measurable actions that are consistent with promises.

Operationally, the relationship between confidence, repeat purchases, word of mouth, and business resilience can be understood as a chain that begins with customers' moral assessment of data transparency and ethics (Ruohonen et al., 2024). This moral assessment creates a sense of security, which in turn reduces the psychological cost of repeat purchases. Consistent repeat purchases enrich the customer experience, and a stable experience makes it easier for customers to recommend the company with confidence. Positive word of mouth expands the customer base and strengthens reputation, making the business more resilient to shocks. When a reputation crisis arises, the chain is tested by the question of whether the company remains honest and responsible. If yes, trust acts as a buffer that mitigates damage, keeps some customers loyal, and provides room for recovery. If not, damage spreads through word of mouth and immediately impacts repeat purchases. This summary emphasizes that trust is not merely the result of communication, but a relational structure that influences the stability of customer behavior and business resilience when reputation is attacked.

CONCLUSIONS

This research confirms that customer trust is formed through the process of interpreting repeated service experiences and company communications, in which customers read signs of organizational integrity, competence, and consistency. Effective transparency is not merely about increasing the amount of information, but rather ensuring that information is understandable, relevant, and not misleading, so that customers feel that their purchasing decisions are autonomous and fair. Data ethics reinforces the moral dimension of trust because customers assess whether companies have reasonable limits on data collection and use, provide real control, and demonstrate accountability when disruptions or incidents occur. When transparency and data ethics are aligned with system design and operational practices, customers build a sense of security that becomes the foundation for long-term relationships.

The impact of confidence is evident in market behavior that is important for business sustainability. Confidence reduces the perception of risk and psychological costs in transactions, thereby increasing the tendency for repeat purchases. Confidence also encourages positive word of mouth because customers feel safe risking their social reputation through recommendations. During a reputation crisis, confidence acts as a relational reserve that slows down the erosion of loyalty, reduces the tendency of the public to accept unverified rumors, and opens up opportunities for recovery through visible and consistent corrective actions. Therefore, confidence functions not only as an emotional asset, but also as a strategic resource that stabilizes customer relationships and supports long-term business sustainability.

In practical terms, companies need to treat data transparency and ethics as a core part of their customer relationship strategy. This means that communication of policies and service changes must be designed to be concise, clear, and easy to find, while privacy controls must be fully functional and not overly complicated. In addition, companies need to ensure alignment between public claims and system realities, from default settings and user consent mechanisms to third-party governance, because customers interpret system design as a concrete expression of organizational values. Conceptually, these findings reinforce the position of trust as a mechanism linking organizational ethical values to business outcomes such as loyalty, recommendations, and reputation resilience. Thus, ethical consistency embedded in system design becomes a decisive factor in sustaining trust-based business performance.

This research is based on a literature review, so the strength of its conclusions depends heavily on the scope and quality of the sources analyzed. It does not empirically test relationships between variables through direct measurement. Differences in industry characteristics and regulatory environments may influence how customers perceive data transparency and ethical practices. As a result, the application of these findings requires careful adjustment to sector-specific conditions and service risk profiles. Accordingly, future studies are encouraged to complement this analysis with empirical evidence to strengthen the generalizability and practical relevance of the conclusions.

Further research needs to reinforce this conceptual synthesis with empirical evidence so that the relationship between transparency, data ethics, confidence, repeat purchases, and word of mouth can be tested more measurably. Testing can be directed at cross-sector comparisons for example, fintech, e-commerce, and digital health because data sensitivity and customer expectations differ and have the potential to produce different trust mechanisms. Further studies should also explore the dynamics of confidence during reputation crises through case studies or digital footprint analysis to reveal how public narratives are formed, how corporate clarifications are accepted or rejected, and which indicators of action are most effective in restoring confidence. At the organizational level, future research could examine the role of privacy control design, the quality of explanations for automated decisions, and third-party governance practices as factors that most often trigger or reinforce customers' moral judgments of companies.

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