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THE ETHICS OF ENTERTAINMENT ALGORITHMS: CONSUMER PERCEPTION, INFLUENCE ON CONSUMPTION AND IMPACTS ON SOCIETY

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Abstract

This article examines the influence of perceived ethics in entertainment algorithms on platform usage intention, with trust in algorithms serving as a mediating variable. A quantitative experiment with a 2x2 factorial design was developed, manipulating two independent factors: data usage transparency (high vs. low) and content personalization (high vs. low). The dependent variables measured are platform usage intention and trust in algorithms, with trust also evaluated as a mediator through a validated technology trust scale. The study proposes a set of experiments with the sample distribution evenly divided across the four experimental conditions. After exposure to these manipulated scenarios, participants completed questionnaires that captured their perceptions of ethics, trust, and usage intention. Data were analyzed using ANOVA to identify the main effects and interactions, while mediation analyses were conducted to examine the role of trust as an intermediary variable. The results provide evidence that greater transparency in data usage enhances trust in algorithms, which, in turn, increases usage intention. This study contributes to the academic field by integrating ethical theory and consumer behavior within a technological context, offering practical implications for companies seeking to align algorithmic practices with consumer values.

Keywords

Algorithm transparency; Content Personalization; Intent to use; Confidence in algorithms

1. Introduction

Entertainment algorithms have emerged as essential tools in the content consumption dynamics of digital platforms, including Netflix, YouTube, TikTok, and Spotify. These systems are responsible for personalizing user experiences, increasing engagement, and shaping consumption decisions. By analyzing behavioral data, algorithms can predict individual preferences, offering highly personalized recommendations that make user interaction more efficient and appealing. However, this same capability raises critical concerns regarding ethics, transparency, and privacy, especially when there are perceptions of manipulation or improper collection of personal data.

The impact of algorithms goes beyond entertainment. They directly influence behaviors, create new forms of consumption, and affect decision-making processes, thereby contributing to the strengthening or erosion of users' trust in digital platforms. Understanding how consumers perceive the ethical dimensions of these systems is therefore essential for identifying practices that promote not only user satisfaction but also the social responsibility of companies developing these technologies. As noted by Schelenz, Segal, and Gal (2020), transparency plays an important role in building this trust, while the absence of clarity can lead to concerns related to data exploitation.

Within this context, the present study aims to analyze the relationship between perceived transparency and the level of algorithmic personalization, as well as their impact on users' intention to use these platforms. Furthermore, the study seeks to investigate the mediating role of trust in algorithms, which serves as a key element in establishing positive and sustainable relationships between users and algorithmic systems (Hoff & Bashir, 2015). The relevance of this research is grounded in the need to promote ethical practices aligned with consumer values, considering the social and behavioral impacts these technologies exert (Schelenz, Segal, & Gal, 2020). This

investigation contributes not only to academic understanding of the intersection between ethics and technology but also offers practical insights for companies seeking to align their algorithmic strategies with user expectations.

In this regard, the ethics and impact of algorithms on entertainment platforms are increasingly important topics in the contemporary digital landscape. These systems play a fundamental role in content management, directly influencing user experience and consumption decisions. Nevertheless, their use presents significant challenges related to transparency, personalization, trust, and usage intention—elements that, when properly managed, can enhance the relationship between users and platforms.

Algorithmic transparency is a key factor that ensures users understand how their data is being used and how recommendations are generated. A lack of clarity in this process may lead to distrust and perceptions of manipulation, thereby undermining the platform's credibility. On the other hand, content personalization can deliver a more relevant and engaging experience, provided it is balanced with ethical principles and respect for user privacy.

Trust in algorithms, in turn, emerges as an essential component for the continued adoption of these platforms. It is built upon predictability, impartiality, and clear communication about how recommendations function (Silva & Souza, 2020). When users perceive that their interactions are shaped fairly and transparently, their intention to use the platform tends to increase, fostering greater engagement and loyalty.

In this context, companies that invest in ethical and responsible practices not only strengthen their relationships with users but also contribute to the creation of a safer and more trustworthy digital ecosystem. The implementation of clear guidelines regarding algorithm usage, combined with offering users greater control over their preferences, may result in a fairer, more inclusive, and socially aligned online entertainment environment.

In addition to trust and intended use, this study considers perceived ethics as an essential variable in understanding interactions between consumers and personalization algorithms on entertainment platforms. Perceived ethics is linked to consumers' subjective judgments about how fair, transparent, and respectful algorithmic practices are of their autonomy and privacy (Malhotra et al., 2004; McKnight et al., 2011). Thus, perceived ethics is not limited to technical functionality but integrates users' moral and normative assessments of digital systems, affecting trust, satisfaction, and intended use.

2. Theoretical Framework

2.1 Algorithmic Transparency

Transparency is considered one of the core principles governing the interaction between consumers and algorithm-based systems. It involves clear and comprehensible communication regarding how user data is collected, processed, and utilized (Schelenz, Segal, & Gal, 2020). Studies suggest that transparency not only increases users' trust but also enhances perceptions of fairness in algorithmic decision-making (Springer & Whittaker, 2018). Conversely, low levels of transparency may generate negative perceptions, such as manipulation or improper exploitation of data. In the context of entertainment platforms, transparency is often challenged by the complexity of artificial intelligence systems, which render internal processes less understandable to users (Binns et al., 2018). Thus, companies need to invest in interfaces that clearly and intuitively explain how their algorithms operate, fostering greater trust and user engagement.

Springer and Whittaker (2018) observed that transparency may negatively influence user perceptions of a system's predictive accuracy when user expectations are met. However, transparency helps mitigate the damage that can occur when user expectations are violated by the system's predictions. Algorithmic transparency may elicit different user reactions depending on their experience with the system. When a system makes accurate predictions and meets user expectations, explaining how the outcome was generated may raise doubts or questions about its actual accuracy, potentially leading to a decrease in trust.

On the other hand, when errors or unexpected outcomes occur, transparency helps users understand the cause of the error, which reduces frustration and fosters long-term trust. Therefore, transparency contributes to building a more ethical and open relationship between users and automated systems.

2.2 Level of Content Personalization

Personalization, defined as the ability to tailor content to individual user preferences, is one of the key attributes of modern algorithms. This practice aims to increase user engagement and satisfaction by delivering unique and relevant experiences. However, it also raises concerns about privacy and potential algorithmic biases, especially when consumers do not clearly understand how such recommendations are generated.

Studies indicate that high levels of personalization can enhance user experience, provided that the practices are perceived as ethical and balanced (Binns et al., 2018). However, a perceived lack of control over personalization may lead to distrust and feelings of intrusion. Therefore, companies need to strike a balance between delivering effective personalization and respecting users' privacy boundaries.

High levels of personalization can indeed enhance user experience, as long as the practices are viewed as ethical and balanced (Kosinski, Stillwell, & Graepel, 2013). Nevertheless, the perceived absence of control over personalization processes can generate mistrust and a sense of being invaded. According to Sundar and Marathe

(2010), excessive personalization may be perceived as intrusive, especially when users do not have the option to adjust or disable certain settings.

Schelenz, Segal, and Gal (2020) argue that personalization technologies focused solely on maximizing system designers' goals run the risk of marginalizing users. They highlight the concern that when personalization technologies prioritize corporate or developer objectives, they may neglect users' interests. When systems are designed with a primary focus on business goals such as maximizing profit or increasing engagement without clear practices of transparency and informed consent, users may feel manipulated, with their autonomy and trust compromised.

Another relevant aspect is the so-called "filter bubble" effect, in which highly personalized algorithms limit users' exposure to diverse perspectives and information (Pariser, 2011). This phenomenon can reduce the diversity of consumed content, negatively affecting critical thinking and public discourse. Therefore, it is crucial to maintain a balance between personalization and informational diversity.

In addition to Pariser (2011), studies indicate that filter bubbles can not only restrict information diversity but also reinforce cognitive biases and social polarization (Bakshy et al., 2015; Flaxman et al., 2016). Bakshy et al. (2015) showed that personalized algorithms can limit exposure to discordant content, while Flaxman et al. (2016) explain that algorithmic personalization can restrict informational plurality, even when users search for multiple sources. These findings extend to the understanding that highly personalized algorithms, if not accompanied by diversification and transparency mechanisms, can reduce exposure to diverse perspectives, negatively affecting critical thinking and engagement (Zuiderveen Borgesius et al., 2016).

Algorithmic personalization should take into account not only content relevance but also its psychological and behavioral impact on users. Research shows that personalized recommendations can influence consumption decisions and even affect emotional well-being (Hosanagar et al., 2014). Thus, it is essential to adopt ethical measures and approaches that prioritize respect for consumers' autonomy and privacy.

2.3 Trust in Algorithms

When analyzing the relationship between consumers and companies, Pavlou and Gefen (2004) define trust as the consumer's willingness to be vulnerable to the company, based on the belief that the company will behave in a manner consistent with the consumer's expectations. The process of establishing brand trust is unstable and dynamic, and forms part of the consumer's affective and categorical evaluation.

When trust is related to a specific product or individual, this belief may develop over time through lived experience, in which small decisions are made to test and explore the limits of use or consumption of the item being offered or made available (McKnight, Cummings, & Chervany, 1998).

Thus, to build and maintain trust, ethical practices must demonstrate responsibility and clarity regarding data usage. This includes the adoption of transparency policies, proactive communication with users, and the creation of feedback mechanisms that allow for questioning automated decisions (Mayer, Davis, & Schoorman, 1995).

The concern regarding personal data privacy remains persistent, as highlighted by Kutty (2021), who reveals the growing distrust among users about how their data is handled, underscoring the need for more effective measures to ensure information privacy and security. Despite the value attributed to personalized experiences, particularly among younger audiences such as Millennials and Generation Z, the apprehension surrounding data collection and misuse is a factor that may negatively impact trust in the system. In this sense, the authors emphasize the importance of practices that reconcile personalization with privacy through transparent and ethical policies that inform users how their data is collected, stored, and used.

Moreover, trust in algorithms is also influenced by platform interface design and usability. Intuitive interfaces and clear explanations of how the systems operate can reduce uncertainty and increase users' sense of control (Lee & See, 2004). Therefore, user-centered design plays a fundamental role in fostering trust in algorithm-based technologies.

On the other hand, when algorithms are perceived as opaque or biased, users may question their legitimacy and avoid using the platform. Thus, to build trust, companies must implement ethical practices that demonstrate responsibility and clarity in how data is utilized. Based on this, the following hypothesis is proposed:

H1: When a social media platform is highly (or minimally) transparent and the level of media personalization is low, trust in the algorithm decreases (or increases); however, when personalization is high, trust in the platform increases (or decreases).

2.4 Perceived Ethics in Entertainment Platforms

Perceived ethics corresponds to the user's subjective assessment of the ethical nature of algorithmic practices, encompassing fairness, transparency, and respect for privacy (Malhotra et al., 2004; McKnight et al., 2011). As a dependent variable, perceived ethics is sensitive to the degree of personalization and transparency presented by platforms (Kutty et al., 2021). High levels of personalization can increase perceptions of relevance; however,

without transparency, they can reduce perceived ethics due to feelings of manipulation or invasion of privacy (Sundar & Marathe, 2010). Transparency, on the other hand, favors perceptions of fairness and respect, increasing the ethical evaluation of the system (Schelenz et al., 2020).

In this sense, perceived ethics acts as a relevant mediator or dependent variable for understanding the effects of algorithmic practices on trust and intention to use digital platforms. This analysis allows us to identify the extent to which users recognize the alignment between expected ethical values and the platforms' actual practices, affecting their engagement and satisfaction. This variable expands models of technological acceptance by including moral and normative dimensions in the study of algorithmically mediated interactions.

Furthermore, considering perceived ethics consolidates discussions on algorithmic accountability, data governance, and user-centered design. Incorporating this variable into quantitative analyses contributes to a more integrated approach between technology and society, allowing us to assess how transparency and personalization are interpreted from an ethical perspective by the end user.

2.5 Platform Usage Intention

Usage intention is defined as an individual's willingness to continue using a technology or service, based on prior experience and overall perceived benefits. In the case of entertainment platforms, factors such as transparency, personalization, and trust play fundamental roles in shaping this intention.

A key factor is the role of user experience in the formation of continuous usage intention. Positive experiences, characterized by seamless interactions and satisfying outcomes, increase the likelihood of adoption and user loyalty toward the platform (Zhou, 2011). Therefore, continuous investment in improvements based on user feedback serves to maintain high levels of engagement.

Research has shown that consumers who perceive high levels of ethics and responsibility in systems are more likely to continue using the platforms (McKnight et al., 2011). However, a misalignment between users' ethical expectations and the actual practices of the system may lead to rejection even when the platform delivers highly personalized content.

H2: When social media platforms are highly (or minimally) transparent and the level of media personalization is low, usage intention decreases (or increases); however, when personalization is high, usage intention increases (or decreases).

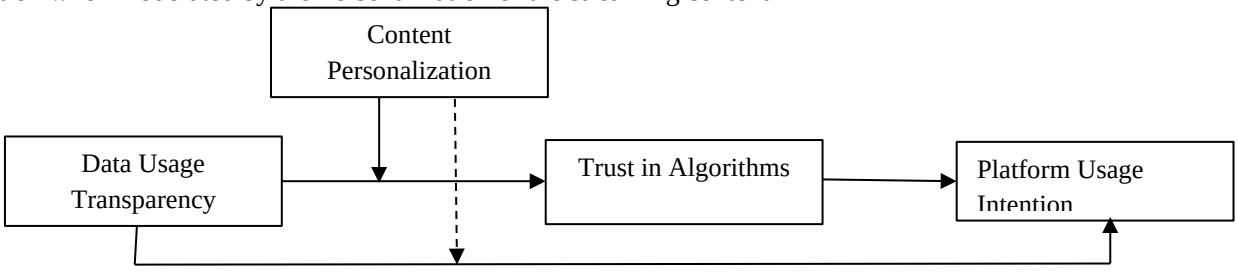
In the platform usage process, trust is a precursor to usage intention, as individuals draw on their beliefs and prior experience with the media environment to assess its benefits. Therefore, an increase in trust enhances usage, making trust a critical mediator in the relationship between transparency and the use of each type of platform. Hoff and Bashir (2015) define trust as a dynamic process that depends on users' understanding, their perception of ethical conduct, and the system's performance history. In the context of entertainment algorithms, trust is closely linked to perceived transparency and the system's ability to deliver relevant and fair outcomes.

Thus, the transparency perceived by users in each media environment—when aligned with user expectations and communicated—fosters a stronger perception of ethical practice. This, in turn, manifests in greater trust in the algorithm and in the system that handles and combines information through AI. As a result, the user develops a stronger intention to continue using the platform due to the increased sense of security in the media environment. Based on this rationale, the following hypothesis is proposed:

H3: Trust in AI algorithms mediates the effect of data usage transparency in digital environments on users' intention to use different types of platforms when moderated by the level of personalization in the service provided.

To visually illustrate the proposed framework, **Figure 1** presents the model of the theoretical relationships and the scenarios to be developed in experimental studies.

Figure 1. Research Model of the Relationship Between Data Transparency, Trust in Algorithms, and Usage Intention when moderated by the Personalization of the streaming content



3. Experiment

3.1. Impact of Transparency and Personalization on Consumer Trust in Entertainment Algorithms and the Resulting Effect on Platform Usage Intention

The main objective of this study is to analyze the impact of social media transparency and the level of personalization perceived by consumers in the media they consume, directly affecting trust in entertainment algorithms (i.e., how information and usage guidance are developed based on consumer data). The research was conducted using a 2x2 factorial design: 2 (Perceived Data Use Transparency: high vs. low) × 2 (Personalization of the User Environment: low vs. high).

The goal is to confirm that, in low transparency contexts, if personalization is low, trust in the algorithm tends to be high. Even with the perceived lack of information, the fact that the media does not offer a highly personalized environment does not necessarily imply distrust or fear regarding the use of personal data. However, when personalization is high in a low-transparency context, users become uncertain about how their data is being used, leading to a decrease in trust and, consequently, a reduction in platform usage intention.

In contrast, in the context of high perceived transparency, high personalization enhances both trust and usage intention. Conversely, low personalization tends to reduce trust and intention, since understanding how personal data and disclosed information are used creates an expectation that algorithms should ethically generate compensations in the form of personalized content based on the data they possess.

For this study, four distinct experimental scenarios were developed for data collection. Participants were exposed to base texts and images simulating social media posts, created specifically for each experimental condition (Appendix 1). The aim was to stimulate perceptions regarding media transparency (low or high) and the degree of personalization (low or high), thereby allowing the evaluation of how these factors influence trust in the algorithms used for content recommendations and, consequently, affect the intention to use the platform.

The scenarios presented in Appendix 1 were applied to four different groups of respondents using a between-subjects experimental design. The transparency condition presented in the appendix is stimulated by information on the use of customer data, describing the manner and details of this use. The website even presents the possibility of providing more information on the details of data use, demonstrating transparency for high-transparency manipulation. The low-transparency scenario says nothing about the use of customer data and simply focuses on personalization, so that the survey participant only sees what is directed to them, without clarifying how this was constructed.

The personalization context has a scenario (high personalization) describing that the recommended/suggested program is based on the customer's interests, most recent views, and specificity, while the low personalization scenario describes that most customers like a certain program or movie, which the customer will probably also like, stimulating a perception of low or no personalization for the consumer. Thus, the combination of the four scenarios is presented in the appendix, generating four possibilities for manipulation in the individuals that will later be confirmed and tested.

Initially, the questionnaires were applied to 40 individuals from the researchers' network (10 respondents per scenario) in order to receive feedback and make any necessary adjustments (pre-test), which proved to be satisfactory.

The final questionnaire comprised 31 questions, 26 of which were related to the scale items for the constructs addressed in the research, 4 demographic questions, and one optional identification field. The questionnaire was hosted on the Google Forms platform and distributed to participants via Instagram and WhatsApp. The ethical perception variable was measured according to Appendix 1, in which, in parallel to use and trust measured as dependent variables, it was also analyzed as an effect of the stimulated scenarios, evaluating the perception of information being managed appropriately by the streaming service, which distinguishes a reflection of ethical procedures provided to the consumer.

Unlike the trust variable, which even has an item asking about ethical perceptions, within a broader context of credibility on the Platform, the ethical perception construct measures the condition of information, data use, and data sharing. Thus, there is a difference in the theoretical validations measured in the two constructs.

The personalization and transparency variables were used to compare the manipulated scenarios with the t-test, assessing whether the groups perceived different conditions and intentions. Finally, the platform use intention variable assessed whether, given the stimulated conditions, individuals were most interested in using the platform under which scenarios.

3.2 Analysis of Results

The final sample consisted of 238 respondents, subdivided as follows: high transparency with high personalization, 62 respondents; low transparency with low personalization, 55 respondents; low transparency with high personalization, 62 respondents; high transparency with low personalization, 59 respondents. Data collection used the University's graduate Program's best practices manual, following the parameters and authorization by the

internal research committee that evaluated the collection items and the consent documents for participation in the research.

So, the sample population was composed of 39.08% male and 60.92% female participants. The majority of the sample fell within the age group of 18 to 25 years (63.86%), followed by the 26 to 30 years group (12.61%) and the 31 to 35 years group (7.98%). The remaining age groups were distributed as follows: 36 to 40 years – 2.1%; 41 to 45 years – 4.62%; and over 45 years – 8.82%.

The first step in analyzing the collected data was to assess the reliability index for each of the research constructs using Cronbach's Alpha. The results are presented in Table 1. All indices were found to be reliable, with no need to exclude any items to achieve acceptable levels.

Table 1 – Reliability Index (Cronbach's Alpha)

Variable	Cronbach's Alpha Value
Transparency	α=0.704
Personalization	α=0.865
Trust	α=0.911
Usage Intention	α=0.904
Ethical Perception	α=0.845

The second step consisted of conducting manipulation checks to assess participants' understanding of the scenarios and stimuli presented in each questionnaire. The manipulation values for transparency were as follows: low transparency had a mean of M = 3.05 with SD = 0.54, and high transparency had a mean of M = 3.90 with SD = 0.58, yielding F = 5.3 and p = 0.045. These values demonstrate that respondents adequately understood the high and low transparency stimuli and their respective characteristics.

When performing the manipulation check for the personalization scenarios, the following results were observed: for the low personalization condition, the mean was M = 3.60 with SD = 1.01; for the high personalization condition, the mean was M = 3.95 with SD = 0.74. The statistical analysis revealed an F value of 23.86 and a significance level of p = 0.001, indicating that the difference between the means is statistically significant. This suggests that participants correctly perceived the high and low personalization stimuli, appropriately distinguishing the characteristics of each scenario.

3.2 ANOVA of the Dependent Variable – Trust in Algorithms

At this stage, the interaction between algorithm transparency (high vs. low) and personalization (high vs. low) was tested with respect to trust in algorithms, which was treated as the dependent variable. The analysis of variance (ANOVA) revealed a significant interaction effect, with F = 20.683 and p = 0.001. The results indicate that trust in the algorithm is influenced by the combination of transparency and personalization, with contrasting effects across the different levels of these variables.

Figure 2. Variance Analysis of Trust according to the combination of Personalization and Transparency scenarios

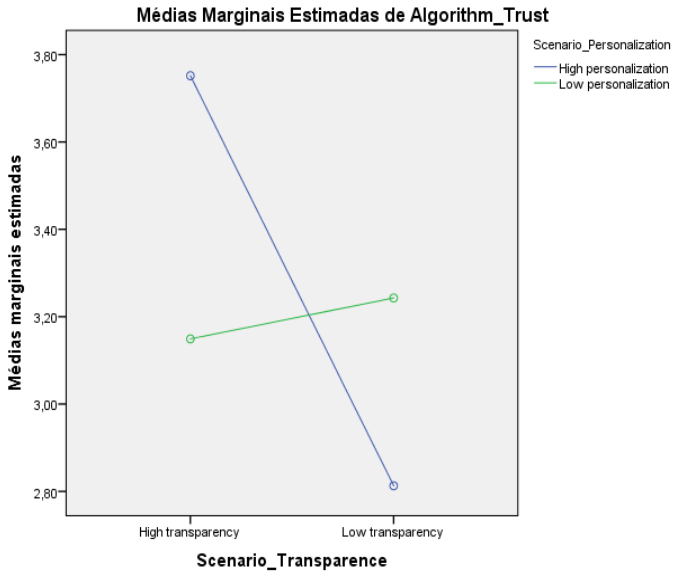


Figure 2 confirms Hypothesis H1, showing that trust in the algorithm is significantly affected by the interaction between transparency and personalization. The graph illustrates that when algorithmic transparency is high, users' trust increases under conditions of high personalization but decreases when personalization is low. Conversely, when transparency is low, the opposite effect occurs: trust increases under low personalization and decreases under high personalization. These findings suggest that the relationship between transparency and personalization influences user perceptions in a reverse pattern depending on the scenario.

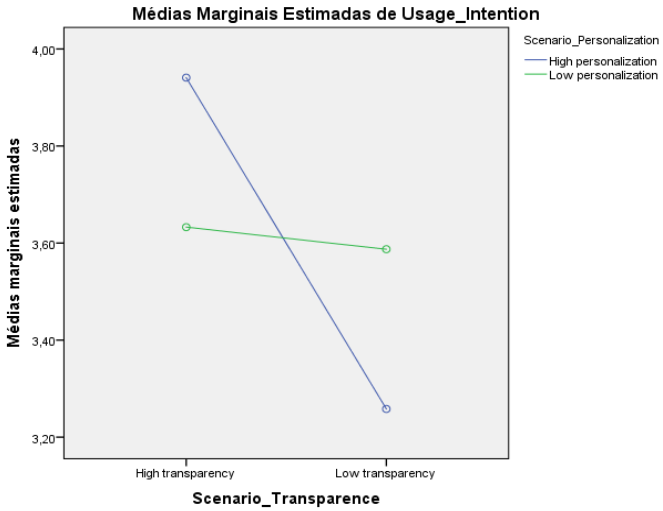
Additionally, an analysis was conducted on the average ethical perception reported by participants across the four experimental scenarios. On a scale from 1 to 5, the ethical perception score was M_ethics = 3.90 for the scenario with high transparency and high personalization, compared to M_ethics = 3.20 for high transparency and low personalization (F = 9.80, p < 0.001). In the low transparency condition, M_ethics = 3.60 was observed for low personalization, and M_ethics = 2.80 for high personalization (F = 13.50, p < 0.001).

3.3 ANOVA of the Dependent Variable – Platform Usage Intention

In this stage, the effect of algorithm transparency (high vs. low) and personalization level (low vs. high) on the dependent variable *Platform Usage Intention* was analyzed. The statistical analysis revealed a significant effect, with F = 6.498 and p = 0.001, providing empirical support for Hypothesis 2 (H2). As predicted, users' intention to use the platform varies as a function of the interaction between transparency and personalization, being reduced when transparency is high and personalization is low, and increased in the opposite scenarios (*see* Figure 3).

Turning to the scenario analysis, it becomes evident that the relationship between transparency and personalization follows a complex interaction that directly affects users' willingness to continue using the platform. Figure 3 illustrates this dynamic, showing that usage intention is higher when there is a balance between transparency and personalization. In contrast, scenarios marked by a mismatch, such as extreme transparency combined with low personalization, can produce the opposite effect, reducing users' intention to engage with the algorithm. This result reinforces the importance of strategically calibrating levels of personalization and transparency to maximize user acceptance and engagement.

Figure 3. Variance Analysis of Usage Intention according to the combination of Personalization and Transparency scenarios



This discussion also underscores the importance of transparency in scenarios where intimate or detailed user data is being handled. In this context, the previous analysis was conducted using the same dataset, with only the dependent variable changed. The same ethical perception values associated with the interplay between transparency and personalization, as previously identified, remained evident in this analysis.

3.4 Final Study Model – Mediation

As a final analysis, to test Hypothesis 3, a mediation analysis was conducted to examine the direct and indirect effects within the model described in Figure 4. This analysis was performed using the PROCESS 3.0 macro in SPSS, incorporating the variables transparency, personalization, trust, and platform usage intention.

The analysis demonstrates that trust acts as a mediator of the effect of data usage transparency on platform usage intention when moderated by personalization. The direct effect was not statistically significant ($p > 0.05$); however, the indirect effect was significant, as was the total effect. The indirect effect had a nominal value of 0.2763, indicating full mediation and suggesting that transparent data usage influences users' intention to use the platform when trust in the algorithms driven by the information provided and communication with the user is established. Therefore, Hypothesis 3 (H3) proposed in this study is supported. Table 2 presents the confidence intervals for mediation analysis.

Figure 4. Mediation analysis of trust in AI algorithms between data usage transparency and platform usage intention when moderated by content personalization to the consumer

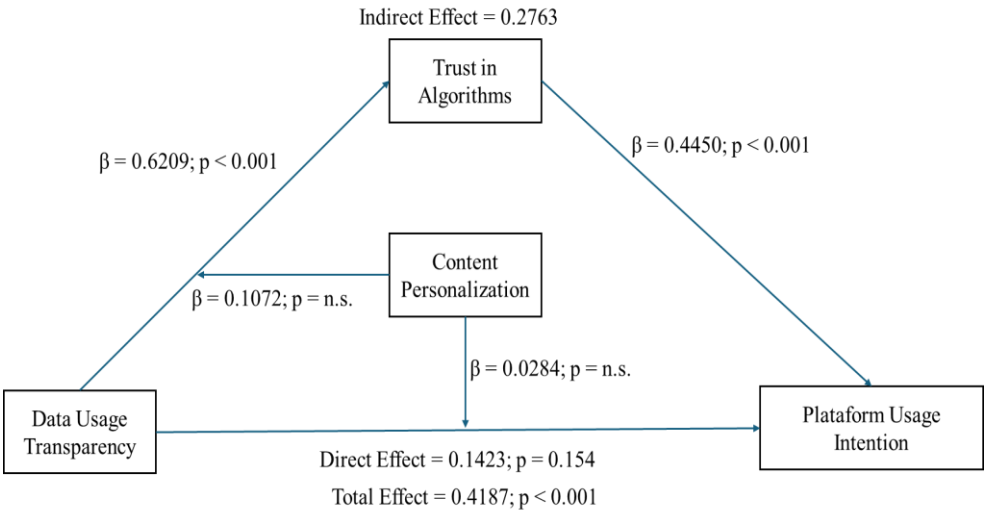


Table 2 – Mediation Analysis Results

Path of Effect	Coef. (β)	SE	t	p	LLCI	ULCI	Significance
Efeito a: Data Usage Transparency → Trust in Algorithms	0.6209	0.072	8.63	<0.001	0..4788	1.4344	Yes
Efeito b: Trust in Algorithms → Platform Usage Intention	0.445	0.0872	5.11	<0.001	0.273	0.617	Yes
Direct Effect (c'): D.U.T. → P.U.I.	0.1423	0.0995	1.43	0.153	–0.0540	0.3387	No
Indirect Effect (a × b)	0.2764	–	–	–	0.1396	0.4237	**Yes (IC ≠ 0)**
Total Effect (c): D.U.T. → P.U.I.	0.4187	0.0892	4.69	<0.001	0,2426	0.5947	Yes

Note: D.U.T. = Data Usage Transparency; P.U.I. = Platform Usage Intention. ICs calculated by bootstrapping with 5000 samples. The indirect effect is significant because the CI [0.1396; 0.4237] does not include zero (Hayes, 2018).

It can be observed that, in the analysis of the complete model, the moderation effect of content personalization was not statistically significant, indicating that personalization does not influence the direct effects of data transparency on either usage intention or trust. However, in the variance analysis across the four experimental scenarios, the interaction between personalization and data transparency demonstrated a strong impact on perceived trust, as well as on the intention to use the platform. Due to the lack of significance in the moderation measured by the model, we do not present the confidence intervals for the moderation, as these were not coherent given the lack of interaction.

4. Discussion

The results of this study highlight that the interaction between transparency and personalization impacts trust, usage intention, and perceived ethics in entertainment platforms. In scenarios of high transparency and high personalization, users report greater trust and usage intention, accompanied by more positive ethical evaluations. In contrast, the combination of high personalization and low transparency reduces trust and perceived ethics, reinforcing concerns related to privacy and algorithmic manipulation. These findings confirm the importance of balanced strategies that combine personalized relevance with transparent practices to maximize user acceptance.

Analysis of variance demonstrates that the effects of perceived transparency within the platform context affect both the intended use of the platform and the level of trust in the algorithm, when moderated by the personalization of the streaming environment. High- and low-personalization scenarios show changes in the dependent variables, depending on the identified combination of transparency and personalization in the service provided, indicating the best perceived relationships between trust and intended use of the platform.

In the mediation analysis, it is clear that trust mediates the effect of transparency of the intention to use the platform, but without dependence on personalization, which indicates that, in the individual analysis of the diversified scenarios of service offerings with personalization and transparency, personalization is a primary factor in the change of perceived value, but in the advance analysis of trust, this variable proves to be a mediator of the model, without being dependent on personalization.

4.1 Theoretical Implications

This study contributes conceptually by demonstrating that perceived ethics is an important factor in determining the validity of decisions to use services and consume products, based on how a company presents and delivers its services to consumers. A strong focus on understanding ethics in the exchange of information between companies and consumers is identified, expanding the understanding that users' ethical perceptions are not limited to privacy concerns but are directly related to moral judgment and the alignment of values between consumers and platforms (Malhotra et al., 2004; McKnight et al., 2011). This finding extends the current literature by proposing that trust and perceived ethics influence attitudes and behaviors in algorithmic environments.

Furthermore, the results reinforce the role of explainable transparency frameworks as strategies for mitigating algorithmic opacity (Burrell, 2016; Ananny & Crawford, 2018), demonstrating that clear communication about data use can generate positive ethical perceptions, even in highly personalized scenarios. This point is important in the context of the growing use of generative AI and recommendation algorithms, where technical opacity is a constant concern. Thus, it contributes to the literature on algorithmic ethics by suggesting that communication clarity and the perception of fairness are central to increasing user engagement.

This study complements previous research (Mittelstadt, 2023), showing that ethical and transparent practices on digital platforms mitigate bias and strengthen user autonomy. This approach, which combines personalization and transparency, is fundamental to digital ethics, as it reduces risks and improves technological acceptance and digital well-being.

4.2 Managerial Implications

For digital platform managers, the results indicate the importance of aligning personalization practices with clear transparency strategies to build trust and positive ethical perceptions. Proactive communication practices, such as clear explanations about how data is collected and used, can reduce fears of algorithmic manipulation, contributing to a more satisfying user experience. Furthermore, offering users greater control over personalization levels through user-friendly interfaces can foster a greater sense of autonomy and reduce perceptions of privacy intrusion.

Another important management point is that ethical practices should not be seen as costs, but as competitive market strategies. In a scenario of intensifying data protection regulations, platforms that adopt transparency and algorithmic accountability measures can reduce regulatory risks and improve their market reputation (Mittelstadt, 2023). This reinforces the role of ethics as a strategic element, connecting algorithmic practices to brand values and consumer trust.

Furthermore, managers should consider perceived ethics as a metric of performance and user satisfaction. Ethical perception monitoring tools can help identify weaknesses and guide improvements in recommendation algorithms, strengthening the long-term relationship between users and platforms. Investing in explainable design and auditable processes helps not only to meet regulatory expectations but also positions platforms as agents of social responsibility in the digital ecosystem.

4.3 Limitations and Future Research

A limitation of the study is the convenience sample used. From a theoretical perspective, seeking to understand the proposed conceptual effects, the research meets the model's requirements. However, from a perspective of generalizability and sample significance, the study fails to meet these requirements because the study population was not taken into account. Future studies could, in addition to seeking a more integrated distribution of the research population, also evaluate the use of these AI-enabled entertainment environments for cross-cultural applicability, assessing differences or complementarities in perceptions across countries.

Further experimental studies involving manipulations of personalization levels or the ability to understand the transparency of consumer data use should be developed to identify other contexts that may not be addressed by the present study. The study could also be expanded to other AI-enabled environments to determine whether the same theoretical logic proposed for streaming platforms applies to other services, potentially complementing consumer perceptions in other algorithmic contexts.

5. Conclusion

This study presents a timely and relevant reflection on the use of artificial intelligence regarding the ethics of algorithms employed by digital platforms. The lack of accountability in data usage, particularly when data is used without explicit permission or clear communication, acts as a facilitator in commercial processes, yet can lead to personal abuses of privacy and the misuse of information when the processes involved are not fully transparent.

The preliminary findings of this study reveal a relationship between algorithmic transparency, understood as the clarity regarding data usage, types of information, applied procedures, and user perception. In low transparency scenarios where no specific results are presented to users, privacy concerns are less evident or perceived, and potential violations of consumer data may go unnoticed. However, when transparency is present and results are explicitly presented to users, particularly in cases of high personalization on social media platforms, the service provided is perceived as justified, based on prior transparency regarding data collection and usage.

Ethical perception of the service presentation was identified among participants. Scenarios combining high transparency with high personalization, as well as those with low transparency and low personalization, were perceived as ethically appropriate. In contrast, reverse combinations of high personalization with low transparency, and low personalization with high transparency led to a diminished ethical evaluation of the platform and its algorithmic processes, leaving participants less satisfied.

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APPENDIX 1 – Study Scenarios

Scenario 1 – high transparency and high customization

Imagine you're using a streaming platform called StreamYou, which is known for offering highly targeted recommendations. These suggestions are made based on your viewing history, your registration information, and your recent interests.

When you open the platform, you see the following message:

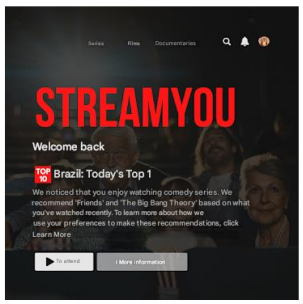

Image translation
We noticed that you enjoy watching comedy series. We recommend 'Friends' and 'The Big Bang Theory' based on what you've watched recently. To learn more about how we use your preferences to generate this information, click More Information

The interface also clearly shows how your data is collected and used.
"We use the following data: your viewing history, ratings, and time spent watching each type of content. You can manage these settings in 'Privacy Preferences'."

Scenario 2 –low transparency and low

Imagine that you are using a streaming platform called StreamYou, which provides random recommendations and informs you that the content is suggested according to the platform's characteristics.

When you open the platform, you see the following message:

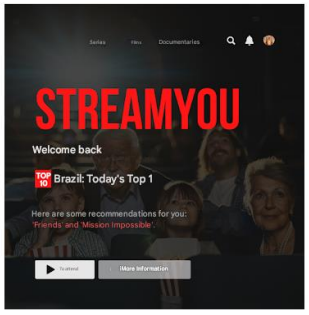

Image translation
Here are some recommendations for you: 'Friends' and 'Mission Impossible'

The interface is random and presents data in a way that is common to users.
The recommendations presented to you are the same as those suggested to other users.
The platform only provides information about the available content. When registering, you are not informed that your usage data and history will be stored.

Scenario 3 – low transparency and high customization

Imagine you're using a streaming platform called StreamYou, which is known for offering highly targeted recommendations. These suggestions are made based on your viewing history, your registration information, and your recent interests.

When you open the platform, you see the following message:

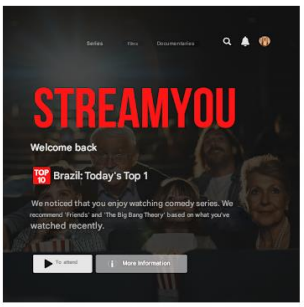

Image translation
We noticed that you enjoy watching comedy series. We recommend 'Friends' and 'The Big Bang Theory' based on what you've watched recently.

The interface highlights recommendations adapted to the user profile.
Recommendations for you are carefully personalized based on your profile, taking into account your interests and preferences. When registering, you are not informed that your usage data and history will be stored.

Scenario 4 – high transparency and low customization

Imagine that you are using a streaming platform called StreamYou, which provides random recommendations and informs you that the content is suggested according to the platform's characteristics.

When you open the platform, you see the following message:

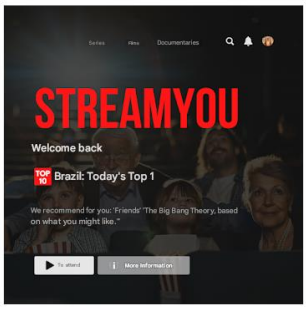

Image translation
We recommend for you: 'Friends' and 'The Big Bang Theory', based on what you might like.

However, the platform presents some suggestions that have been generated, where your data is used to understand what other users are watching.
"We use the following data: your viewing history, ratings, and time spent watching each type of content."

APPENDIX 2. Adapted scales of variables.

TRANSPARENCY OF ALGORITHMS	
How important is it for you to know how your personal information is used by social networks?	Silva, João; Souza, Maria. *Transparency and Trust in Social Media*. (2020) - Adapted
How would you rate the transparency of social networks regarding their privacy policies?	
Do you trust the information provided by social networks about the use of your data?	
Does the level of transparency of social platforms affect your decision to use or continue using these platforms?	
CONTENT PERSONALIZATION	
The platform's recommendations are tailored to my needs.	Tuu, H. H.; Olsen, S. O. *Consumer satisfaction and loyalty in e-commerce:*
I feel that the suggested content is tailored specifically to me.	
The platform takes into account my interaction history to personalize the content.	
Personalizing content improves my experience on the platform.	
The recommendations reflect my style and preferences.	
INTENTION TO USE THE PLATFORM	
I plan to continue using this platform in the future	Venkatesh, Thong, and Xu (2012) - Adapted
I will continue using this platform daily.	
I plan to continue using the platform frequently.	
TRUST IN ALGORITHMS	
I believe that this platform's algorithms act ethically.	McKnight, D. H.; Carter, M.; Thatcher, J. B.; Clay, P. F. *Trust in a specific technology: An investigation of its components and measures*. (2011) - Adapted
I trust this platform's ability to provide accurate recommendations.	
The algorithms used by this platform protect my data.	
This platform's algorithms work predictably and reliably.	
I feel that this platform uses algorithms fairly.	
ETHICS ON THE STREAMING PLATFORM	
I believe that streaming platforms collect a lot of personal information about me.	Malhotra, N. K., Kim, S. S., & Agarwal, J. (2004). Internet Users' Information Privacy Concerns (IUIPC): The Construct, the Scale, and a Causal Model. *Information Systems Research*, 15(4), 336–355.
It's uncomfortable to know that digital entertainment platforms monitor my preferences.	
Streaming companies are too interested in user information.	
I believe I have control over the information I share on streaming platforms.	
I can easily adjust my privacy settings on digital entertainment platforms.	
I feel in control of my personal information when using platforms like Netflix, Prime Video, etc.	
Streaming platforms clearly inform me about how they use my data.	
I know what kind of information the platforms collect about me.	
Platforms make it clear whether data is shared with third parties.	