

Data Disclosure in Business Network Data Exchange Settings: Introducing a Dual Processing Model to Privacy Calculus Theory

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Abstract

Privacy Calculus research predominantly investigates data disclosure as a cognitive risk-benefit tradeoff in a dyadic consumer-firm settings. While this cognitive approach is appropriate for dyadic settings, more complex disclosure settings cannot be easily assessed in such a cognitive way. Today consumers oftentimes confront such complex settings in the form of disclosure to a network of firms. We refer to such settings as business network data exchange (BNDE). We contribute to Privacy Calculus theory by introducing a dual-processing model of privacy-related decision-making for the BNDE context. In four experimental studies, we show that instead of engaging in a purely cognitive risk-benefit tradeoff analysis consumers are more likely to rely on affective processes triggered by BNDE. Negative affect influences the cognitive analyses and directly reduces disclosure intention. Marketing practitioners need to be considerate of affective reactions when implementing BNDE business models.

Keywords: *Privacy Calculus; affective processing; business networks*

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