

Just Tell Me What You Want...: The Relevance of Information Transparency on the Use and Handling of Customers' Data

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Abstract

The collection and goal-oriented use of customer data is considered as a strategic success factor in modern retailing. However, due to privacy concerns gathering of customer data is often not easy from a company perspective. Hence, it is surprising that there is a lack of research on customers' reaction on companies' communication on information transparency regarding the data-use and -handling. To close this gap, our research refers to Information Processing Model as well as Privacy Calculus Theory, manipulating service providers' information transparency in the context of product presentation in an online shop. By conducting an online experiment (N=87), we identified an ambivalent behaviour by the customer, facing a higher interest to purchase, but a lower willingness to pay, given transparent information. Customers mental accounting on companies' information transparency follows divergent pattern, in this regard. Moreover, privacy concerns related to the use of the product mediate this relation. Based on the findings, implications for future research and management are discussed.

Keywords: *Information Transparency; Customers' Data-Use and Handling; Privacy Concerns*

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