Information Privacy and Consumers' Willingness to Share Personal Information: Toward a Conceptual Framework

Peter Maas University of St. Gallen Christopher Schumacher University of St. Gallen

Cite as:

Maas Peter, Schumacher Christopher (2021), Information Privacy and Consumers' Willingness to Share Personal Information: Toward a Conceptual Framework. *Proceedings of the European Marketing Academy*, 50th, (93732)

Paper from the 50th Annual EMAC Conference, Madrid, May 25-28, 2021



Information Privacy and Consumers' Willingness to Share Personal Information: Toward a Conceptual Framework

Abstract

Knowledge of information privacy and consumers' willingness to share personal information is fragmented because insights are rather dispersed across disciplines. The purpose of this paper is to capture these fragmented bits of knowledge, to develop a conceptual framework on information privacy and consumers' willingness to share personal information, and to test it empirically. We screen the top journals in marketing, information systems, and ethics to develop a conceptual framework on the interplay of information privacy and consumers' willingness to share personal information. We test our hypotheses on data collected from 15,068 consumers from 24 countries using Structural Equation Modeling. We show that the relationship between the independent variables Data Use Transparency and Customer Control and the dependent variables Word of Mouth, Loyalty, and Intention to Disclose is mediated by Trust and Perceived Benefits of Sharing Personal Information. Moreover, Privacy Concerns and the Type of Information (e.g., demographic, social, financial, and health data) moderate the relationship between the independent variables and the mediators.

Keywords: firm privacy, firm performance outcomes, information sharing

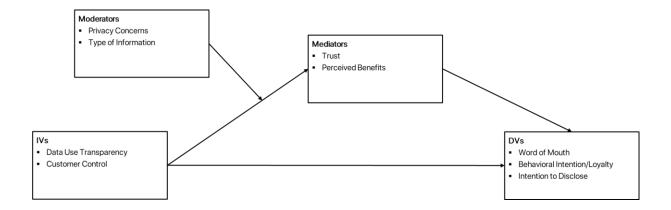
Track: Consumer Behavior

1. Theoretical Background

Information privacy and consumers' willingness to share personal information attracted attention from various research streams in recent years—with scholars from marketing and information systems being at the forefront. Unfortunately, knowledge is fragmented as insights are rather dispersed across disciplines.

We draw on a literature review on some of the most prestigious journals in marketing (e.g., Journal of Marketing, Journal of Marketing Research, Journal of the Academy of Marketing Science, Journal of Public Policy and Marketing, International Journal of Research in Marketing, Journal of Retailing, and Journal of Service Research), information systems (e.g., Information Systems Research, Management Information Systems Quarterly, Journal of Management Information Systems, and Journal of the Association of Information Systems), and Ethics (e.g., Journal of Business Ethics) to develop an integrated conceptual framework on information privacy and consumers' willingness to share personal information that holds across disciplines and cultures (see Figure 1).

Figure 1. Conceptual Framework



Research on the relevant constructs was published in various journals, such as Journal of Marketing (K. D. Martin et al., 2017), Journal of Marketing Research (Acquisti et al., 2012), JAMS (Kumar et al., 2019; Lwin et al., 2007; Norberg & Horne, 2014), JPPM (K. E. Martin,

2015; Miyazaki, 2008; Phelps et al., 2000), IJRM (Bleier et al., 2020), Journal of Retailing (Aguirre et al., 2015; Bleier & Eisenbeiss, 2015), JSR (Mothersbaugh et al., 2012; Wirtz & Lwin, 2009), ISR (Dinev & Hart, 2006; Malhotra et al., 2004; Xu et al., 2012), MISQ (Smith et al., 1996, 2011), JMIS (Hann et al., 2007; Karwatzki et al., 2017; Lowry et al., 2011; Xu et al., 2009), JAIS (Kordzadeh & Warren, 2017), and JBE (Hajli & Lin, 2016; Hong et al., 2019), among others.

Our findings could be of interdisciplinary relevance for both academia and practice. They help marketers and managers to better understand how to enhance positive word of mouth, loyalty, and consumers' intention to disclose personal information to the firm.

2. Methodology

Building on this literature review, we empirically test our conceptual framework using Structural Equation Modeling (SEM) on data collected in a large-scale survey from 15,068 consumers from 24 countries. We argue that one needs to take into consideration various factors that may eventually lead to positive word of mouth, loyalty, and intention to disclose personal information (our dependent variables).

We are interested in three different dependent variables. Word of Mouth (Garbarino & Johnson, 1999) ($\alpha = 0.929$), Loyalty (Cronin et al., 2000) ($\alpha = 0.913$), and consumers' Intention to Disclose personal information (Malhotra et al., 2004) ($\alpha = 0.800$).

Our model has two independent variables, borrowed from Martin, Borah, and Palmatier (2017): Data Use Transparency ($\alpha = 0.925$) and Customer Control ($\alpha = 0.844$). We include Privacy Concerns (K. D. Martin et al., 2017) ($\alpha = 0.845$) and the Type of Information (e.g., demographics, social, financial, and health data) as moderators. We argue that Trust (Cognitive Trust [Martin, Borah, and Palmatier 2017] [$\alpha = 0.938$] and General Institutional Trust [Kehr et al. 2015), based on [Malhotra, Kim, and Agarwal 2004] [$\alpha = 0.907$]) as well as Perceived Benefits (General [Dinev et al. 2013] [$\alpha = 0.874$] and Personalization [Xu et al. 2009] [$\alpha = 0.864$]) mediate the relationship between the independent and the dependent variables.

Lastly, we included Emotional Violation (K. D. Martin et al., 2017) ($\alpha = 0.943$), Information Ownership (Gabisch & Milne, 2014) ($\alpha = 0.849$), Satisfaction (Verhoef, 2003) ($\alpha = 0.943$),

Gender (Female: 7,530 and Male: 7,538), Age (Mean: 42.81, SD: 13.88), and Income (under \$16,000, \$16,001 - \$31,000, \$31,001 - \$48,000, \$48,001 - \$72,000, above \$72,000, no answer) as covariates.

3. Summary of Findings

This study is work in progress. After running various Confirmatory Factor Analyses (CFAs), we take care of Common Method Bias (Podsakoff et al., 2003), Measurement Invariance (Steenkamp & Baumgartner, 1998), and Data Equivalence (Hult et al., 2008). Eventually, we build the SEM. We show that the relationship between the independent variables data use transparency and customer control and the dependent variables word of mouth, loyalty, and intention to disclose is mediated by trust and perceived benefits of sharing personal information. Moreover, the relationship between the independent variables and the mediators is moderated by privacy concerns and the type of information (e.g., demographic, social, financial, and health data). We run these analyses for al 24 countries in our sample and confirm that findings are stable across countries and cultures.

References

- Acquisti, A., John, L. K., & Loewenstein, G. (2012). The Impact of Relative Standards on the Propensity to Disclose. *Journal of Marketing Research*, *49*(2), 160–174.
- Aguirre, E., Mahr, D., Grewal, D., de Ruyter, K., & Wetzels, M. (2015). Unraveling the Personalization Paradox: The Effect of Information Collection and Trust-Building Strategies on Online Advertisement Effectiveness. *Journal of Retailing*, 91(1), 34–49.
- Bleier, A., & Eisenbeiss, M. (2015). The Importance of Trust for Personalized Online Advertising. *Journal of Retailing*, 91(3), 390–409.
- Bleier, A., Goldfarb, A., & Tucker, C. (2020). Consumer privacy and the future of data-based innovation and marketing. *International Journal of Research in Marketing*, 37(3), 466– 480.
- Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the Effects of Quality, Value, and Customer Satisfaction on Consumer Behavioral Intentions in Service Environments. *Journal of Retailing*, 76(2), 193–218.
- Dinev, T., & Hart, P. (2006). An Extended Privacy Calculus Model for E-Commerce Transactions. *Information Systems Research*, *17*(1), 61–80.
- Dinev, T., Xu, H., Smith, H. J., & Hart, P. (2013). Information privacy and correlates: An empirical attempt to bridge and distinguish privacy-related concepts. *European Journal* of Information Systems, 22(3), 295–316.
- Gabisch, J. A., & Milne, G. R. (2014). The impact of compensation on information ownership and privacy control. *Journal of Consumer Marketing*, *31*(1), 13–26.
- Garbarino, E., & Johnson, M. S. (1999). The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships. *Journal of Marketing*, *63*(2), 70–87.
- Hajli, N., & Lin, X. (2016). Exploring the Security of Information Sharing on Social Networking Sites: The Role of Perceived Control of Information. *Journal of Business Ethics*, 133(1), 111–123.
- Hann, I. H., Hui, K. L., Lee, S. Y. T., & Png, I. P. L. (2007). Overcoming online information privacy concerns: An information-processing theory approach. *Journal of Management*

Information Systems, 24(2), 13–42.

- Hong, W., Chan, F. K. Y., & Thong, J. Y. L. (2019). Drivers and Inhibitors of Internet Privacy Concern: A Multidimensional Development Theory Perspective. *Journal of Business Ethics*, https://doi.org/10.1007/s10551-019-04237-1.
- Hult, G. T. M., Ketchen, D. J., Griffith, D. A., Finnegan, C. A., Gonzalez-Padron, T., Harmancioglu, N., Huang, Y., Talay, M. B., & Cavusgil, S. T. (2008). Data equivalence in cross-cultural international business research: Assessment and guidelines. *Journal of International Business Studies*, 39(6), 1027–1044.
- Karwatzki, S., Dytynko, O., Trenz, M., & Veit, D. (2017). Beyond the Personalization– Privacy Paradox: Privacy Valuation, Transparency Features, and Service Personalization. *Journal of Management Information Systems*, 34(2), 369–400.
- Kehr, F., Kowatsch, T., Wentzel, D., & Fleisch, E. (2015). Blissfully ignorant: The effects of general privacy concerns, general institutional trust, and affect in the privacy calculus. *Information Systems Journal*, 25(6), 607–635.
- Kordzadeh, N., & Warren, J. (2017). Communicating personal health information in virtual health communities: An integration of privacy calculus model and affective commitment. *Journal of the Association for Information Systems*, 18(1), 45–81.
- Kumar, V., Rajan, B., Gupta, S., & Pozza, I. D. (2019). Customer engagement in service. *Journal of the Academy of Marketing Science*, 47(1), 138–160.
- Lowry, P. B., Cao, J., & Everard, A. (2011). Privacy concerns versus desire for interpersonal awareness in driving the use of self-disclosure technologies: The case of instant messaging in two cultures. *Journal of Management Information Systems*, 27(4), 163– 200.
- Lwin, M., Wirtz, J., & Williams, J. D. (2007). Consumer online privacy concerns and responses: A power–responsibility equilibrium perspective. *Journal of the Academy of Marketing Science*, 35(4), 572–585.
- 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.

- Martin, K. D., Borah, A., & Palmatier, R. W. (2017). Data Privacy: Effects on Customer and Firm Performance. *Journal of Marketing*, *81*(1), 36–58.
- Martin, K. E. (2015). Privacy Notices as Tabula Rasa: An Empirical Investigation into How Complying with a Privacy Notice Is Related to Meeting Privacy Expectations Online. *Journal of Public Policy and Marketing*, 34(2), 210–227.
- Miyazaki, A. D. (2008). Online Privacy and the Disclosure of Cookie Use: Effects on Consumer Trust and Anticipated Patronage. *Journal of Public Policy and Marketing*, 27(1), 19–33.
- Mothersbaugh, D. L., Foxx, W. K., Beatty, S. E., & Wang, S. (2012). Disclosure Antecedents in an Online Service Context: The Role of Sensitivity of Information. *Journal of Service Research*, 15(1), 76–98.
- Norberg, P. A., & Horne, D. R. (2014). Coping with information requests in marketing exchanges: An examination of pre-post affective control and behavioral coping. *Journal of the Academy of Marketing Science*, *42*(4), 415–429.
- Phelps, J. E., Nowak, G., & Ferrell, E. (2000). Privacy Concerns and Consumer Willingness to Provide Personal Information. *Journal of Public Policy & Marketing Marketing Marketing*, 19(1), 27–41.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Smith, H. J., Dinev, T., & Xu, H. (2011). Information Privacy Research: An Interdisciplinary Review. *MIS Quarterly*, *35*(4), 989–1016.
- Smith, H. J., Milberg, S. J., & Burke, S. J. (1996). Information Privacy: Measuring Individuals' Concerns about Organizational Practices. *MIS Quarterly*, 20(2), 167–196.
- Steenkamp, J.-B. E. M., & Baumgartner, H. (1998). Assessing Measurement Invariance in Cross-National Consumer Research. *Journal of Consumer Research*, 25(1), 78–107.
- Verhoef, P. C. (2003). Understanding the Effect of Customer Relationship Management Efforts on Customer Retention and Customer Share Development. *Journal of Marketing*, 67(4), 30–45.

- Wirtz, J., & Lwin, M. O. (2009). Regulatory Focus Theory, Trust, and Privacy Concern. Journal of Service Research, 12(2), 190–207.
- Xu, H., Teo, H.-H., Tan, B. C. Y., & Agarwal, R. (2009). The Role of Push-Pull Technology in Privacy Calculus: The Case of Location-Based Services. *Journal of Management Information Systems*, 26(3), 135–174.
- Xu, H., Teo, H. H., Tan, B. C. Y., & Agarwal, R. (2012). Effects of Individual Self-Protection, Industry Self-Regulation, and Government Regulation on Privacy Concerns: A Study of Location-Based Services. *Information Systems Research*, 23(4), 1342–1363.