

# Transparency and Consumer Choice

**Ana Martinovici**

Erasmus University, Rotterdam School of Management

**Bernd Skiera**

Goethe-University Frankfurt, Germany

**Martin Spann**

LMU Munich School of Management

**Lucas Stich**

Julius-Maximilians-Universität Würzburg

Cite as:

Martinovici Ana, Skiera Bernd, Spann Martin, Stich Lucas (2024), Transparency and Consumer Choice. *Proceedings of the European Marketing Academy*, 53rd, (118225)

Paper from the 53rd Annual EMAC Conference, Bucharest, Romania, May 28-31, 2024



# Transparency and Consumer Choice

## Abstract

In the rapidly evolving landscape of today's digital age, companies operate in a dynamic interplay between the Internet, changing consumer preferences, and regulatory requirements. In this complex environment, transparency is an important marketing factor for companies. Characterized by the disclosure of comprehensive and high-quality information about products, their features and prices, transparency plays a critical role in enabling consumers to make well-informed decisions. This session will focus on the complex relationship between transparency, marketing strategy, and regulation. Presentations in this session will examine consumer reactions and marketing implications to various aspects of information transparency, including: i) charitable donation recipients, ii) user data collection by apps, iii) data breach announcements by firms, and iv) worker wages in service settings.

**Attention and Preferences for Charitable Giving (Martinovici, Genevsky, & Friederich):** Fundraising organizations rely on donations to help recipients who are in need. While donation calls have multiple features, their joint impact on choices remains unknown. We examine this using a model calibrated on eye-tracking and choice data. The findings contribute to the charitable giving literature and have implications for communicating donation calls.

**Transparency and Privacy-Compliance in Mobile App Markets (Kraft, Kesler, Skiera, & Koschella):** This empirical study outlines that approximately 19% of mobile apps are non-compliant. German users (with stricter privacy laws (GDPR)) encounter more compliant apps than US users. Older apps that likely have more experience are more compliant. Popularity and reputation cannot explain differences in compliance. Non-compliant apps generate at least 10% higher advertising revenues than they would if they had been compliant.

**Customer Responses and Economic Consequences of Data Breach Announcements (Molitor & Spann):** This study measures the impact of a major data breach disclosure in the hospitality industry on customer behavior and firm performance. We use a difference-in-differences (DiD) research design to compare the breached firm and a matched set of unaffected firms and find a short-term negative impact on the breached firm's revenues, lasting only up to two months after the disclosure.

**Transaction-Level Wage Transparency (Stich, Ungemach, Fuchs, Spann, Ziano, & Schumpe):** This research examines the consequences of disclosing transaction-level wage information on consumer preferences. In a series of four studies, conducted in both field and lab settings across multiple service domains, we show that disclosing a service worker's compensation, if perceived as fair by consumers, can increase consumer preference and willingness to pay for that firm's service.