

Online Consumer Privacy II

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Abstract

Privacy Regulations and Advertising in Offline Markets: Evidence from Randomized Field Experiments. Becker, Hotz-Behofsitz, Wlömert, Papies. Stricter privacy regulations are prompting firms to reevaluate targeted advertising strategies, offering consumers the choice to opt in or out of personalization. This study investigates the long-term impact of discontinuing targeted promotions on shopping behavior, employing two large-scale field experiments with multi-vendor loyalty program (MVLP) participants. We explore spillover effects within the MVLP and use additional, observational data to analyze opt-in/opt-out decisions to assess the economic viability of enhancing data transparency and control through privacy tiers. Our findings provide insights into the relations between privacy regulations, targeted advertising cessation, and consumer behavior in the context of MVLPs.

Private Randomized Response. Ponte, Boot, Reutterer, Wieringa. We are first to examine the relationship between objective privacy risk and subjective privacy concerns perceived by consumers using randomized response design that precisely quantifies individuals' privacy risk using differential privacy. In a lab study, we define and estimate the privacy elasticity of perceived privacy concerns. We find that our randomized response design reduces both perceived privacy concerns as well as bias in individuals' answers to privacy-sensitive questions. Collectively, our results demonstrate that the theoretical privacy protection offered by differential privacy translates to reduced perceived privacy concerns among consumers.

Educating Senior Citizens about the Risks of PII Exposure on the Dark Web and Surface Web: A Privacy Protection Study. Lin, Brandimarte, and Brown. This study, guided by protection motivation theory (PMT), investigates the effectiveness of threat and countermeasure information in motivating privacy protection among senior citizens. In addition, the moderating effects of personalization and subjective well-being (SWB) on the relationship between information and awareness, and the moderating effects of age on the relationship between countermeasure awareness and coping appraisal are examined. We employed a factorial survey method and manipulated the presence and absence of threat and countermeasure information to study individuals' perceptions. Answers from 520 participants revealed, among other insights, that threat information enhances awareness of data breaches.

Using the Dual-Privacy Framework to Understand Consumers' Perceived Privacy Violations Under Different Firm Practices in Online Advertising. Jerath, and Miller. This research explores privacy concerns in online advertising, focusing on consumers' perceived privacy violations (PPV) across various tracking and targeting practices. Utilizing the dual-privacy framework, the study assesses consumer reactions to different advertising methods in the U.S. and Europe. Key findings include high PPV in behavioral targeting and only a marginal reduction in

PPV with new technologies that retain data on consumers' devices. Interestingly, PPV significantly drops under contextual targeting with no tracking, and consumers show indifference between untargeted ads and no ads when not tracked. The study underscores the importance of a consumer-centric privacy approach, offering insights for online advertisers and policymakers amidst evolving privacy regulations.