

The Disclosure of Personal Data: Understanding Customers' Expectations: An Abstract

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Abstract The exponential growth of available data has created vast opportunities for companies to predict customer behavior and adapt their marketing efforts (McKinsey Global Institute, 2011). However, customers may perceive the handling of their data to be unfair, may switch to a competitor, spread negative word-of-mouth information, or falsify information, thereby making the data useless (Horne, Norberg, & Ekin, 2007; Son & Kim, 2008; Wirtz & Lwin, 2009). Understanding what customers perceive to be fair with regard to their personal data is therefore considered “one of the most serious ethical debates of the information age” (Pavlou, 2011, p. 977). We expand the current focus on privacy concerns by analyzing customer expectations in a mixed method design. Moreover, we assess how well customers perceive companies to currently fulfill their expectations, by means of a survey and a field study.

Semi-structured interviews with 10 consumers, who regularly interact with companies online, as well as 13 experts, reveal that customers want companies to limit the amount, the duration, and the sensitivity of stored data. In addition customers do not want companies to share their data with others, a practice called secondary usage. Moreover, customers expect to be asked for permission before their data are collected. They want to be able to modify data and want to control its use in a granular fashion and demand that companies protect their data from unauthorized access. Last but not the least, customers expect companies to provide understandable, honest information on which data are used by whom and for which purpose.

In a subsequent quantitative study (326 participants recruited via mailing lists, online bulletin boards, and social media; 56% female, with the majority being between 17 and 29 years old), the following results were achieved: First, respondents' expectations relating to interactional justice have been identified as having the strongest effect. Customers stated that their expectations in this area were generally not fulfilled, as companies provide information in an unattractive manner.

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Second, in the area of procedural justice, it is most important for customers to have a simple option to control the use of their data. Third, regarding distributive justice, customers expect a fair exchange value for their data and want companies to limit the amount of data collected. To address this issue, different start-ups have begun offering customers the possibility to store their data and sell it to interested companies (Rosenbach, 2016).

References Available Upon Request