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Desire to Protect Personal Information –A Mixed Methods Study
of Connected Consumer**

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Managing Conflict: Reconciling Being Always-On and Concurrent Desire to Protect Personal Information – A Mixed Methods Study of Connected Consumers

By Donna M. Iucolano, PhD Candidate and Management Design & Innovation Fellow at Case Western Reserve University

Umbrella Research Question: How does being increasingly hyper-connected affect consumers' attitudes about the sharing, collection and use of their personal information in retail/shopping environments; and, how do they manage conflicts that arise as a result?

INTRODUCTION

This 3-phased sequential mixed methods research study is about always-on, hyper-connected consumers' participation and exchanges involving their personal data in retail and shopping environments. Through it, we (1) better understand conflicts arising during decision making involving exchanges of personal data; (2) explore dualities in decision making that lead to tensions between consumers and retailers/marketers; (3) identify "consumer acceptance" as a coping mechanism for dealing with stress (i.e., anxiety, vulnerability) associated with consumer acceptance of personal data collection; and, (4) identify fairness in exchanges and tradeoffs between consumers and retailers as important, yet highly contextual, meaning "fairness" depends on the situation.

RESEARCH PROBLEM

Consumers face simultaneously conflicting objectives when participating in digital life. This leads to **tensions within** them.

- Empowered by hyper-connectedness and digital/technical prowess, consumers **want** to participate fully online, and be connected with retailers/firms and other consumers
- YET, they know they **should** also be more protective of their personal info as they participate online, engage with retailers/firms (and others), and exchange information

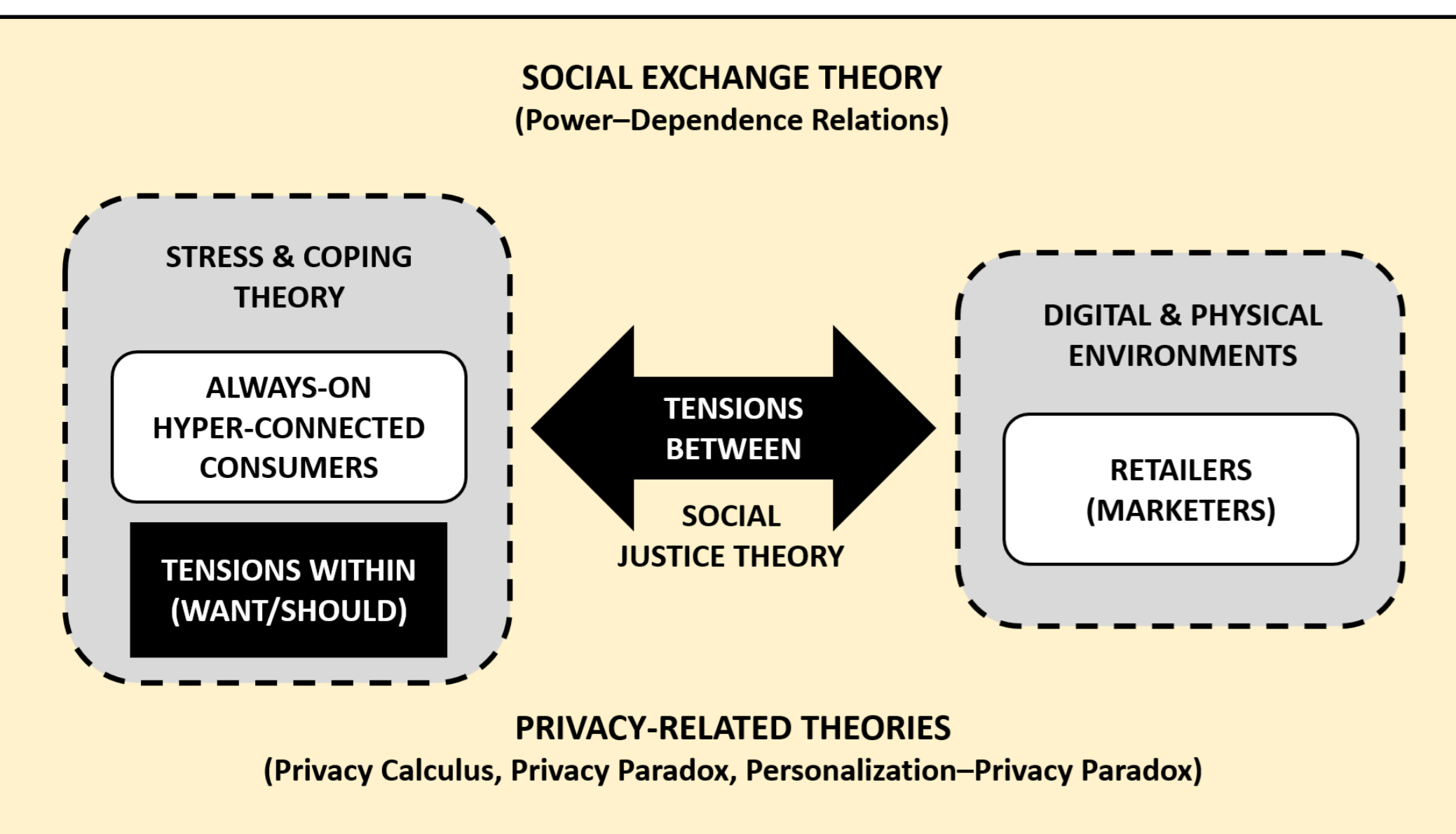
Meanwhile, tensions within often lead to **tensions between** consumers and retailers in exchanges involving personal data

- Retailers are empowered to collect and use consumer personal data to create competitive advantages; and, personalized products or services and relevant marketing to satisfy consumers, increase sales, engender loyalty, etc.
- YET, retailers wrongly assume hyper-connectivity means consumers are less concerned about privacy today versus years ago. Instead, anxiety/stress about potential abuses or misuses is real, and often leads to conflicts between them.

THEORETICAL FRAMING

A theoretical framework guides this research. It draws on extant literature about customer and retailer empowerment; privacy in general and consumer privacy specifically; personal and digital data; privacy calculus, privacy paradox, and the personalization-privacy paradox; and, theories of social exchange and social justice. It suggests consumers are conflicted during decision making involving their personal information in exchanges with retailers/marketers. And, that that these conflicts impact consumer acceptance. They are influenced by factors explained by theories as shown below.

Figure 1. Theoretical Framework



RESEARCH STATUS

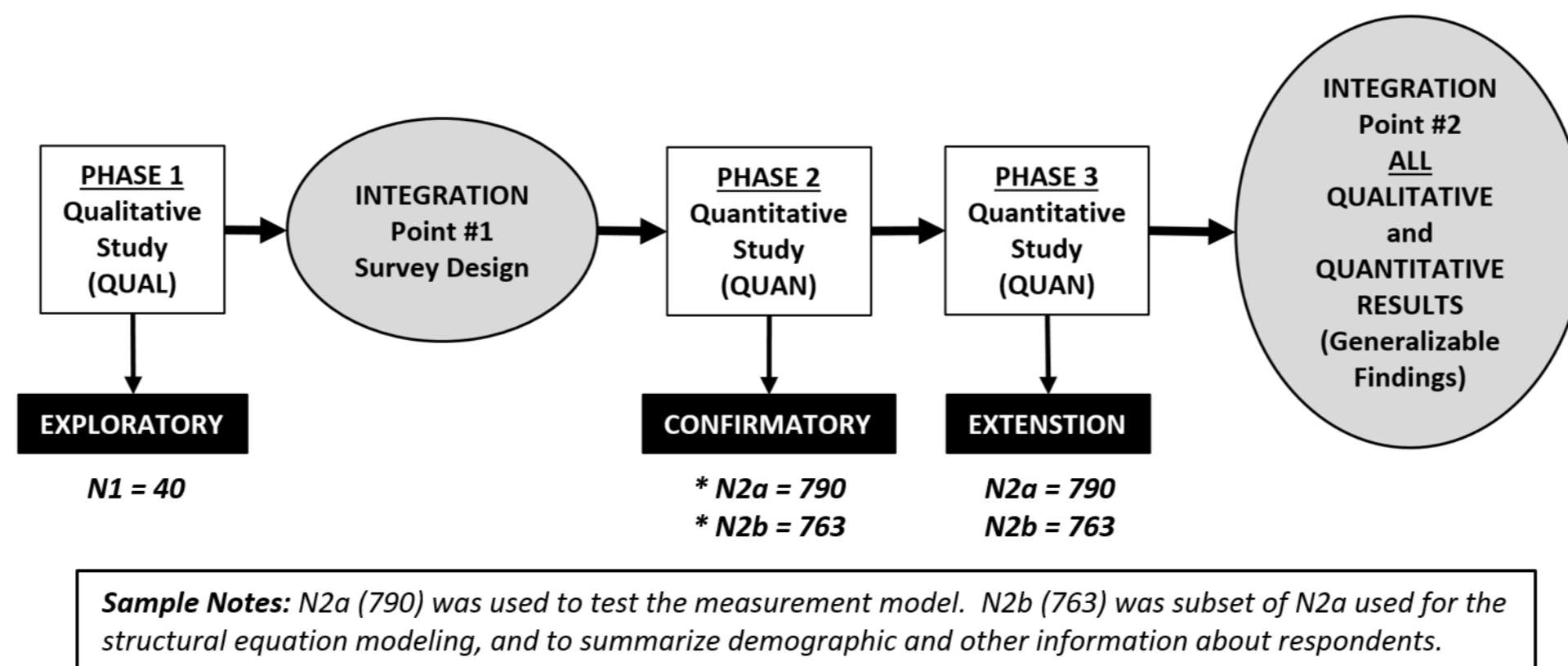
This 3-phased sequential mixed method research study is in progress. Phases 1 and 2 are completed. Phase 3 is underway. Refinements are being made to the Phase 3 model. It should be completed in October 2018. Findings of all 3 phases and studies will be integrated at the end of Phase 3. They will be triangulated and generalized with qualitative and quantitative results holistically interpreted and explained. Results are expected to contribute to academia and consumer marketing practice. This study will culminate in my PhD Dissertation and defense in early 2019.

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Select References

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MIXED METHODS RESEARCH DESIGN



PHASE 1: QUALITATIVE STUDY

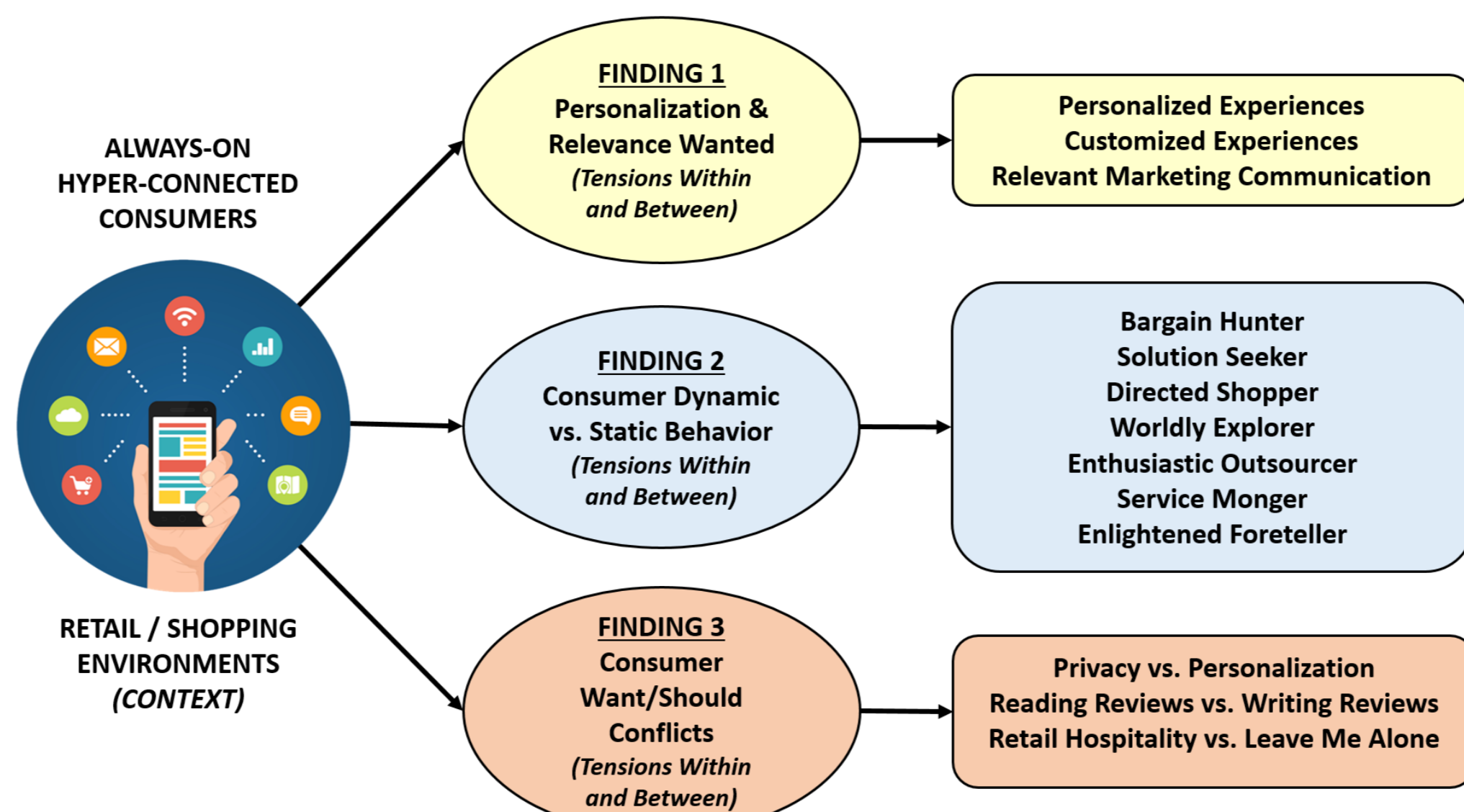
Research Question: How does being increasingly hyper-connected affect a consumer's attitude about the sharing, collection and/or use of their personal information in a retail/shopping context?

40 heavy internet/mobile users, ages 18 to 65 including 22 women and 18 men were interviewed to better understand how they shopped, both online and in stores.

200+ stories of positive and negative shopping experiences were shared revealing tensions within consumers and tensions between consumers and retailers in exchanges involving personal information sharing, collection, use, and potential abuse or misuse.

This exploratory qualitative study employed grounded theory through a semistructured interview methodology. Interviews were recorded and transcribed. Data analysis followed the 3-step recommendations of Corbin and Strauss: open coding, axial coding, and selective coding. NVivo v. 11 software was used in this study.

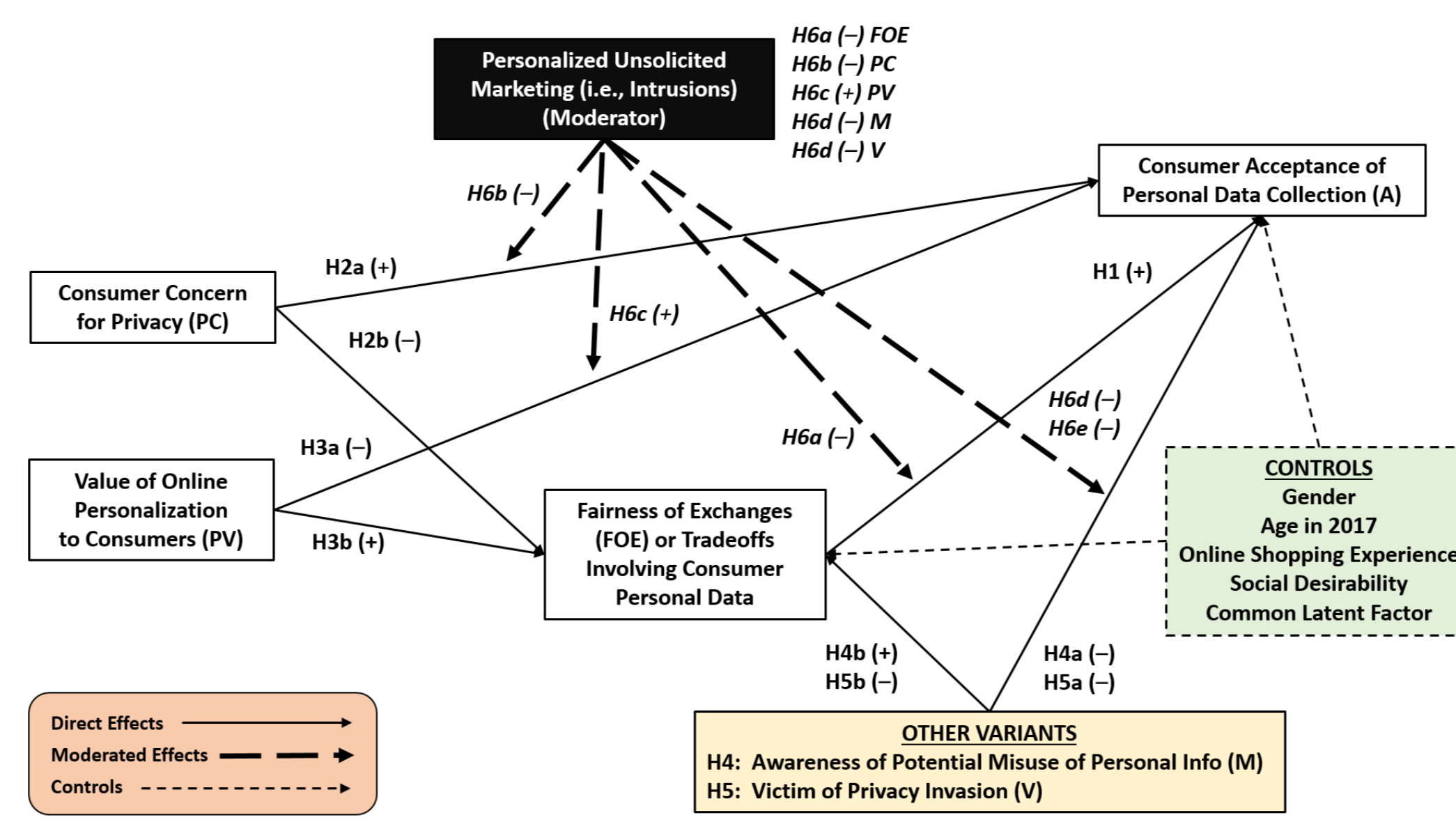
Figure 2. Qualitative Study Findings



PHASE 3: QUANTITATIVE STUDY 2

This phase is in progress with final planning underway. It extends the analyses performed in Phase 2 using same dataset. **Research Questions:** (3A) What impact do unsolicited personalized marketing messages have on the relationships between privacy concerns, personalization value and fairness and consumer acceptance? (3B) What homogenous clusters emerge based consumer privacy knowledge and resistance to digital marketing? The proposed hypothesized model appears in Figure 4. Cluster analysis will be used to understand the impact of privacy knowledge and digital marketing resistance by comparing/contrasting consumer segments. Multi-group moderation may also be performed on select groups.

Figure 4. Phase 3 Proposed Model (TBD)



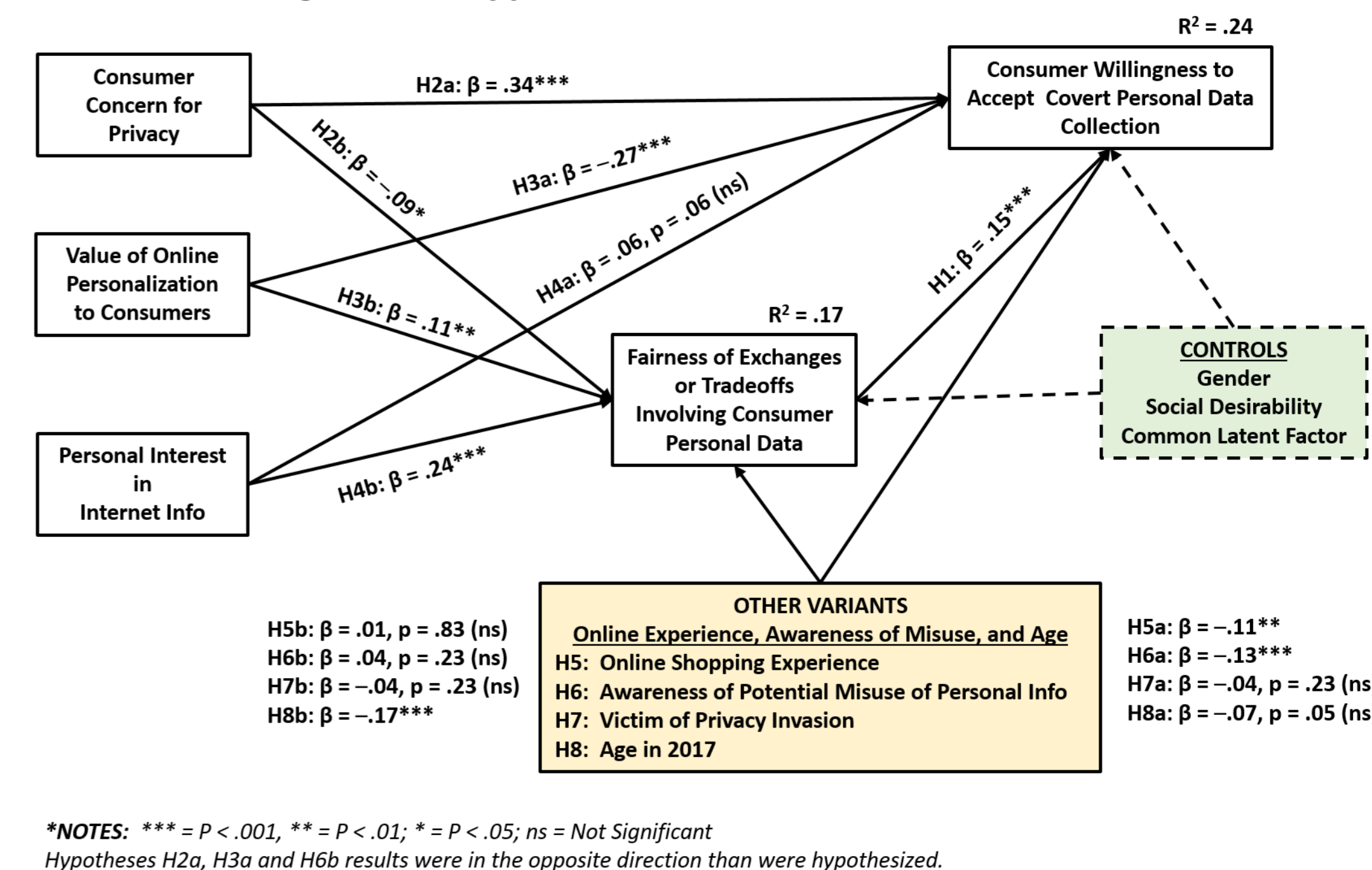
PHASE 2: QUANTITATIVE STUDY 1

Research Question: What explains consumer willingness to accept personal data collection in (retail) exchanges or tradeoffs involving their personal information?

Strained consumer-marketer relationships are not unique to the digital era. However, consumer growing dependence on the internet and digital devices is making the situation worse. This research advances understanding of determinants of consumer acceptance of personal data collection. And, identifies consumer acceptance as a coping mechanism for stress (i.e., anxiety) associated with personal data sharing, collection and use.

Quantitative methods were applied to measure factors that potentially impact consumer acceptance using survey data collected from 790 U.S. consumer via LinkedIn, Facebook and Amazon Mechanical Turk, all heavy internet/mobile users and avid shoppers (online and in stores). Results show privacy concerns, personal interest in information, personalization, and fairness along with age, online shopping experience, awareness of potential misuse of personal information, and privacy victimization all impact consumer acceptance. Analyses were performed in SPSS and AMOS v. 24.

Figure 3. Hypothesized Model with Results



Summary of Direct Hypothesis Results: 8 were supported; 4 were not significant (ns); and, 3 were not supported because results were in the opposite direction than predicted (H2a, H3a, H6b). H5a was *a priori*, the result of which was negative. H5b was removed to improve model fit.

Table 1. Direct Hypothesis Test Results

Abbreviated Direct Hypothesis Statements	Beta	SE	P-Value	Supported or Not
H1 Fairness of exchanges has a positive effect on consumer acceptance.	0.15	0.02	< .001	YES
H2a Privacy concerns have a negative effect on consumer acceptance.	0.34	0.02	< .001	NO (Positive)
H2b Privacy concerns have a negative effect on fairness of exchanges.	-0.09	0.04	.013 (< .05)	YES
H3a Online personalization has a positive effect on consumer acceptance.	-0.27	0.03	< .001	NO (Negative)
H3b Online personalization has a positive effect fairness of exchanges.	0.11	0.05	.002 (< .01)	YES
H4a Personal interest has a positive effect on consumer acceptance.	0.06	0.02	.06, NS	YES, but NS
H4b Personal interest has a positive effect on fairness of exchanges.	0.24	0.03	< .001	YES
H5a Shopping experience has an impact on consumer acceptance.	-0.11	0.01	.002 (< .01)	YES (Negative)
H5b Shopping experience has an impact on fairness of exchanges.	0.01	0.02	.829 (NS)	REMOVED
H6a Misuse awareness has a negative effect on consumer acceptance.	-0.13	0.01	< .001	YES
H6b Misuse awareness has a negative effect on fairness of exchanges.	0.04	0.02	.229 (NS)	NO (Positive)
H7a Privacy victim has a negative effect on consumer acceptance.	-0.04	0.01	.227 (NS)	YES, but NS
H7b Privacy victim has a negative effect on fairness of exchanges.	-0.04	0.02	.228 (NS)	YES, but NS
H8a Age has a negative effect on consumer acceptance.	-0.07	0.00	.05 (NS)	YES, but NS
H8b Age has a negative effect on fairness of exchanges.	-0.17	0.00	< .001	YES

Direct Hypotheses Notes: SE = Standard Error; NS = Not Significant; H5b was removed to improve model fit.

PRELIMINARY CONTRIBUTIONS

To Academia:

- Contributions to gaps in literature and calls for new research
- New understanding about (1) consumer decision making in retail/shopping environments; (2) consumer acceptance of personal data collection, and tensions involving exchanges of consumer personal data in retail/ shopping environments; (3) the role of fairness in exchanges and personalized unsolicited marketing (i.e., intrusions); and, (4) the role of privacy knowledge and resistance to digital marketing

To Consumer Marketing Practice:

- Identify common bonds underlying tensions that may be pursued concurrently versus choosing one tension at the expense of another in situations involving exchanges of consumer personal data
- Create framework to illustrate and mitigate tension(s) for use in consulting and by consumer marketing practitioners

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