Why Privacy Is Only Salient When Not Making Actual Decisions: How Congruency Drives the Privacy Paradox

Joris Demmers, University of Amsterdam, Netherlands
Alfred Zerres, University of Amsterdam, Netherlands
Willemijn van Dolen, University of Amsterdam, Netherlands

In four studies, we provide a novel congruency-based explanation for the privacy paradox by demonstrating that privacy preferences are dependent on the interaction of the diverging mindsets in different preference construction conditions and the structural psychological distance pattern of benefits and costs in typical disclosure decisions situations.

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Joris Demmers, University of Amsterdam, The Netherlands
Alfred F. Zerres, University of Amsterdam, The Netherlands
Willemlijn M. van Dolen, University of Amsterdam, The Netherlands

EXTENDED ABSTRACT

Although the discrepancy between consumers’ privacy concerns and subsequent disclosure behavior has been well-established in previous work (Acquisti et al. 2015; Kokolakis 2015), much remains to be learned about how consumers weigh benefits and costs of sharing personal information in privacy-sensitive situations (Kokolakis 2015; Martin & Murphy 2016). In the current work we propose an updated view on privacy calculus theory, and test the notion that disclosure decisions are driven by the interaction of psychological distance of costs and benefits of disclosure and diverging mindsets under attitudinal and behavioural conditions of preference formation. Across four studies, we demonstrate that preference formation depends on congruency between one’s mindset in a specific condition of preference construction and the psychological distance of benefits and costs of disclosure.

In study 1 we test whether perceived temporal and hypothetical distance differs between self-reported benefits and costs of disclosure. We exposed 115 participants to three binary disclosure choice tasks they are likely to encounter on a regular basis in daily life (accepting cookies, social login, sharing app usage data). For each situation, participants were first asked to generate as many potential consequences as possible of choosing the high disclosure option, then to indicate hypothetical and temporal distance of the generated consequences, and finally to indicate for each listed consequence the extent to which they perceived it as pro/con of the high disclosure option. Results demonstrated that across situations self-reported pros of disclosure were perceived as less temporally ($F(1,182.20) = 44.81, p < .001$) and hypothetically ($F(1,845.03) = 24.70, p < .001$) than cons.

In study 2 we tested how different stages in preference formation are associated with different mindsets by exposing 75 participants to either an attitudinal or behavioral preference formation condition, after which we measured their mindset using the behavioral identification form (Vallacher & Wegner 1989). Results showed that attitudinal measures of privacy preferences evoke a more abstract mindset than behavioral measures ($M_{attitudinal} = 18.66, SD = 4.21; M_{behavioral} = 14.03, SD = 5.16; F(1,74) = 6.73, p < .05$).

In study 3 we tested whether mindset affects behavioral disclosure decisions in an online setting. The mindset of 161 participants was manipulated using a goal elaboration task (Fujita et al. 2006), after which their disclosure behavior on a website was tracked. Results revealed that participants in the abstract mindset condition were less likely to choose the high disclosure options than participants in the concrete mindset condition in three subsequent situations of increasing privacy intrusiveness (cookie acceptance: 72.0% vs. 93.9%, $\chi^2(1) = 8.33, p < .01$; social login: 70.0% vs. 53.8%, $\chi^2(1) = 4.62, p < .05$; sharing phone data: 18.0% vs. 2.0%, $\chi^2(1) = 7.11, p < .01$).

In study 4 we investigated whether the effect of mindset on privacy preferences is dependent on the psychological distance of the consequences. We manipulated the mindset of 115 participants using a category/exemplar task (Fujita et al. 2006), before exposing them to a description of a usage based insurance (UBI) program of a fictional car insurance company, in which users’ driving behavior is tracked via their smartphone during six months of the one year contract in exchange for a 20% discount during the other six months.

As our manipulation of consequence distance, we varied whether the discount preceded the tracking of driving behavior or vice versa. If preference formation indeed depends on congruency between mindset and psychological distance of benefits and costs of disclosure, under concrete mindset conditions people should be more inclined to disclose their personal data when the benefits are close and costs are distant, whereas under abstract mindset conditions, inclination to self-disclose should be larger (smaller) when benefits of disclosure are distant (close) and costs are close (distant). Results showed a significant interaction effect of mindset and distance on inclination to sign up for the program ($F(1,109) = 6.63, p < .05, \eta^2 = .06$). Simple effect tests showed that participants in the concrete mindset conditions were more inclined to sign up when benefits were immediate ($M_{immediate\;benefit} = 3.41, SD = .23; M_{distant\;benefit} = 2.68, SD = .21; F(1,109) = 5.58, p = .05, \eta^2 = .05$). Moreover, when costs preceded benefits, inclination to sign up was higher under abstract mindset conditions than under concrete mindset conditions ($M_{concrete\;benefit} = 2.68, SD = .21; F(1,109) = 5.69, p = .05, \eta^2 = .05$).

Together, these findings enhance our understanding of how consumers weigh benefits and costs of sharing personal information in privacy sensitive situations. By providing a novel explanation for the privacy paradox, we answer calls from several scholars for more research on the privacy paradox and the factors that drive privacy preferences and behavior (Martin & Murphy 2016; Peltier et al. 2009). In a time where privacy has become a currency that consumers can exchange for free access to web content, personalized services or discounts (Motivalli et al. 2014), understanding what drives consumers’ “willingness to pay” is paramount.

REFERENCES


