

DATA PRIVACY ISSUES AFFECTING THE CONSUMER BEHAVIOR

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ABSTRACT

In this research paper, the authors are talking about data privacy issues affecting consumer behavior. The usage of the internet saves customers' time, but data privacy issues are bothering the customers. A comprehensive literature review was performed, and online interviews have been conducted for research.

Keywords: Consumer Behavior, Data privacy, Management, Marketing, E-commerce.

INTRODUCTION

To predict consumer behavior nowadays is not an easy task. The behavior of consumers varies from situation to situation. Many researchers have explained consumer behavior according to their approach. In the words of Faison (1977), consumer behavior is “*The assumption that people have series of needs which lead to drive state.*” Schiffman (2012) explained consumer behavior as “the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.” Several authors defined consumer behavior in their way. Some described it in terms of needs, then acts and individuals, etc. In the world, where everything seems to be online now, data privacy issues among consumers have been increased. The internet has developed promptly in the last two decades. Due to this development, web users have a rapid increase leading to a high-speed internet connection (Mittal, 2013). For all the facilities internet provides, that leads to data available for that website. The effect of widespread data of consumers' sometimes further increases undesired market communications and disruptions. Marketers use special effects to make their websites more attractive so that consumers' may attract them, and they will be able to fetch better information (Kumar et al., 2020). One website is linked with another one, as many advertising agencies are there. Thus, consumer data helps these companies to make better products and services according to the needs and demands of consumers.

In this research, the authors are discussing the key issues related to data privacy with the help of a literature review and further validating it with online interviews. In the present scenario, this is an emerging issue for the consumers, and the findings of this research will help the managers of business organizations in understanding the consumers' concerns pertaining to data privacy.

LITERATURE REVIEW

The major issue that consumer is facing these days is data privacy. Is their data private when they are surfing the internet? Various studies have explained numerous data privacy issues in their research works. Several researchers performed research on data privacy issues. There is theoretical as well as empirical research on data privacy (Martin et al., 2017; Girald et al., 2017; Barth and De Jong, 2017). Martin et al. (2017) argued about data privacy in marketing, while (Barth and DeJong 2017) worked on a systematic literature review specifically on the privacy paradox by analyzing thirty-two research papers. Acquisti et al. (2016) worked on the economics of privacy. They focused on the value of personal data and information an individual is disclosing and highlighted how the economic analysis of privacy evolved over time, as the development in information technology elevated the multifaceted issues. Researchers worked on various aspects of data privacy. Martin et al. (2016) performed a study on how data privacy has effects on customer and firm performance. Their research relates customer vulnerability to negative performance effects. Kokolakis (2015) also discussed the privacy paradox. He had reviewed various studies and found evidence about how attitudes and behavior vary of consumers concerning their data privacy. The usage of technology is also increasing in SMEs for sustainability and reducing cost (Kumar et al., 2018; Kumar et al., 2019). SMEs are also facing issues of data privacy (Kumar et al., 2021, Kumar et al., 2021). In the future, the education sector can also face this issue because due to COVID-19 (Kumar et al., 2021), the whole education sector is dependent on online conferences for imparting education (Kumar et al., 2020).

Kehr et al. (2015) indicated the extension of the previous privacy calculus model in their research. They did an experimental study and collected samples from two countries, i.e., the USA and Switzerland. Results of their study have shown that privacy assessment is prejudiced by momentary affective states. Acquisti et al. (2015) examined the empirical research and drawn the relationship between different streams related to privacy behavior. They had also given observations regarding the role of public policy in safeguarding privacy. Spiekermann et al. (2015) discussed the challenges of personal data markets and privacy issues. They discussed various parameters of data issues like economic, social, ethical, and technical. Zhang et al. (2015) worked on the security of data and privacy issues from a healthcare perspective. They argued about the highly sensitive healthcare information and further provided countermeasures from a security and data protection point of view. Tucker (2014) examined how perceptions of internet users' regarding control over their personal information affect their online advertising. Hall & McGraw (2014) analyzed the importance of privacy. They indicated that the success of telehealth could be stabilized if the privacy and security risks are being addressed properly. Data privacy has become a very critical issue, and many researchers are diverting their attention towards this area, in this technological environment, where every data of an individual is with the websites.

Adjerid et al. (2013) observed insistent consumer privacy concerns to make the online privacy of consumers more "transparent." Hong & Thong (2013) examined internet privacy concerns. They did an empirical study on 4000 internet users. Kambourakis (2013) worked on mobile learning how the threats of security and privacy have increased due to changes in technology. Their study attempted to provide a comprehensive view of challenges. Rubinstein (2013) worked on big data challenges. He showed the impact of big data on data protection. King & Raja (2012) argued about the consumers' sensitive data to trivial security and privacy issues. They considered it a challenge for cloud computing industries to retain the data of consumers safely. They also threw light on the regulatory frameworks of Europe and the United States that

help in protecting the consumers' data in the cloud. Goldfarb & Tucker (2011) examined how advertisers use an online customer database to meet their market demands. Their study has shown about consumers' privacy apprehensions and how European Union influenced advertising effectiveness? They indicated that there is a loss in the effectiveness of websites when the EU has restricted the privacy regulations. Bélanger & Crossler (2011) done a critical analysis of the IS literature. Their literature review revealed that information privacy is a key and multilevel construct but hardly studied as such. Also, the sampling populations are more USA-centric as compared to others. This must be enhanced so that the findings of the study can be generalized. Park (2011) study explored the impact of dimensions of digital literacy on privacy-related online behaviors. They applied a hierarchical regression model on 419 adult internet users and found mixed results between knowledge and internet experiences. There are many studies which revealed about various kind of issues an individual is facing. Data privacy and security are the major considerations ethically as well as technically any company is taking care of. The government is also playing a critical role regarding the data security and privacy issues of consumers'. Smith et al. (2011) studied numerous privacy articles, books, and book sections and classified the available literature in two ways. First, they did an ethics-based analysis and secondly examined on their level like an individual, organizational, group, and societal. Zhou et al. (2010) highlighted security and privacy issues as an extant barrier for operators.

Flavian & Guinalú (2006) explored the effect of privacy and perceived security on the level of trust displayed by the consumer on the internet. They examined the main attributes of the constructs and found that the consumers' loyalty to a particular website is related to the level of trust they have shown. Also, the trust in a specific website is closely associated with the data security perceived by an individual. This present era has come up with so many technological advancements that it requires information from every individual who is going through their website or surfing the internet. Providing all the details in the software, consumers also want that their data or information to be highly confidential. This area of data security and privacy is attracting many researchers as well as policymakers. To make consumers' data secure at every software, the government is also taking some measures and has already framed guidelines for every company. This critical analysis of literature provides us details about data security and privacy. How are consumers concerned about their information safe?

METHODOLOGY

The researchers have taken online interviews with various respondents to know about data privacy issues. A cross-section of customers and consumers presented varied perspectives.

"Data is not protected when I surf on the internet. I do sometimes feel uncomfortable by pop-ups that seek distracting information."

"With so many technology gadgets suddenly when I get an unsolicited offer that I did not seek on my mobile, and it vaguely relates to what I was surfing on my laptop, I first get confused, then eventually annoyed."

"This product that I was finding at a lesser price a little while back suddenly is now displaying a higher price, and the site somehow has my credit card credentials partially as if by default?"

"Often, I am careful about surfing for niche products on sites I am not familiar with. The sites often are often not reliable on quality and price unless it is of a reputed brand."

"I have been regularly bombarded with daily messages from these diagnostic laboratories, though mercifully we all are keeping good health, I wonder who helps them pick up my credentials."

"You will not believe how this finance company keeps shooting loan availability and deposit rates to me day in and day out, not sure what the source of their belief is about me and my needs."

I always wonder since past two years how I keep getting this set of apartment availability flyers in my email id – though I have not visited any of the housing fairs.”
“It is even astonishing that a few more colleagues of mine and I have been getting this insurance offer of one crore assurance for past many months, even mentioning my age!”
“I am shocked as to how all these durables vendors perceive that I need to replace the washing machine at home, though it is thankfully working well in spit of more than seven years since our buying the same – suspicious”
“It is the height of expectation that I get repeated mailers on this salwar attire targeted at my college-going daughter, though it is unlikely that we will buy such modern dress ever in the near future!”

DISCUSSION AND FINDINGS

The emerging key observations

1. Privacy
2. Intersection of e-commerce
3. Services marketing
4. Technology and Artificial Intelligence
5. The interface of Social networks and governmental data regulations

The perception and experience of users of the internet, such as the customers, consumers were studied, and a certain pattern of user experiences has been summarized in the paragraphs here. These are in relation to the outcomes coming from the literature study on data security and privacy presented above. A cross-section of users was studied in a sample study as a sequel.

Privacy of the Data

Consumers significantly feel that the data is not protected as private when they are out surfing on the internet, be it for goods, services, or information. While surfing and searching the internet, pop-ups, tracking, and asking for more data and more so often, the authenticity of the site has been a concern regarding the perception of consumer data security. Consumers also feel that due to multiple gadgets in use and the focus on seeking information in surfing, often personal data is parted with to the detriment of one’s privacy.

The Intersection of E-commerce

On the same breath, customers felt, while surfing for e-commerce, the pop-ups, linkages to social networks, and the high-end Artificial Intelligence of the top e-commerce brands invariably and very quickly compromise the personal data privacy of the user. In e-commerce surfing, the quality and standing of the retailer or website matter and often decide the end assurance of quality or price. The brands do matter a lot, or else the quality and price are often not reassuring, and the customer gets to notice things often a bit late, in terms of bad quality or price reliability.

Services-Related Data and their Security

Customers expressed discomfort regarding the privacy of data once a customer negotiates or seeks various services. While the views on medical data lacking privacy are not explicitly forthcoming during the research, the unsolicited calls from health providers, banking companies, and insurance players have in the perception of the customers pointed to lack of privacy in respect of consumer data as reflected by the users we reached out.

Technology and Artificial Intelligence

The users felt is a reason for their weakening security and diluting privacy: It emerges from the perception of the services users that technology and Artificial Intelligence is being used by the top brands to expose that the health data, purchase preferences are not being so private after all. The risk outcome is customer data privacy and security are vulnerable. There is reason to believe by consumers that true caller technology and the astuteness of FMCG and top brands reach the aggregation of customer background needs and preferences to a wider audience and provide unwanted access to such aggregation.

The Platform of Social Networks

Customers noted, adds to the weakening of the security and wider privacy breaches felt by many of the customers. This big picture is very often facilitated by the linkage of social networks and website aggregated data analysis. As is noted by many customers, data marketing is taken to by agencies with the aid of these linkages, leading to the generation of unsolicited pointed offers to consumers, quite often tempting the consumer to different product-service offers than the one that they were looking for. The major e-commerce sites need to comply with governmental data and tax regulations and in the process capture personal private data, ironically in the process making the privacy of consumer data inadequate, for instance, PAN number, often ironically on higher-value purchases.

CONCLUSION

Based on the overall discussion, it can be concluded that data privacy issues are bothering the customers. The literature review helped to understand that customers' data have been compromised on various platforms, and it leads to sharing of private data. The interviews validated the facts of the literature review that customers are finding it difficult when their data shared on various platforms. Social networks and e-commerce are making purchasing easy for customers, but they are getting unnecessary calls and emails because their data has been shared. The interconnection of data making the situation more difficult for the customers, and business managers need to understand it and behave responsibly.

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