

# ATTITUDES OF THE CONSUMERS REGARDING THEIR PERSONAL DATA: WHAT HAS CHANGED UNDER THE RECENT YEARS?

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*The historical roots of the debates regarding the privacy are to be found in the conclusion issued, at the end of the 19<sup>th</sup> century, by the Pacific Railway Commission (1887), on the essential, for the citizen's peace and happiness, "right of personal security", and the individual's "right to be left alone", approached and explained by Louis Brandies (1890). Since then, many definitions have been given aiming to explain the content of privacy from different angles but all these attempts were rather difficult and succeeded to clarify things only partially, due to the various perspectives considered. The information age has made even more difficult not only the definition of privacy, but its defense in front of the many invading ways based mainly on the internet employment.*

*From a marketing perspective, the definition of privacy should focus on the personal data regarding the consumers, the extent to what this data is communicated to or is collected by others, and the subsequent data treatment, in terms of the processing and employment, by the entities managing this information. In this context, the privacy should be considered in connection with its particular area of application – the consumer's private space – described by the amount of information regarding the demographics, psychographics and behavioral characteristics of the individuals, and the rights they should have to disclose or not their personal data, and to have this data protected through the appropriate laws and means.*

*The paper aims to assess, in a longitudinal approach, the attitudes of the consumers, and the specific differences, regarding their personal data in terms of their disclosure, the previous consent the consumers should express to the companies or public entities collecting them, and capturing, processing, and further employment by the companies, based on the primary data collected in two surveys conducted in January 2010 and 2012.*

*Keywords: privacy, consumer private space, personal data*

*JEL Classification: M31*

## **Introduction**

The end of the 19<sup>th</sup> century has brought the first formal attempts to conceptualize privacy. In 1887, the Pacific Railway Commission has found that "of all the rights of the citizen, few are of greater importance or more essential to his peace and happiness than the right of personal security, and that involves, not merely protection of his person from assault, but exemption of his private affairs, books, and papers, from the inspection and scrutiny of others" (Langenderfer and Cook, 2007). Three years later, Louis Brandies, in the article "The Right to Privacy", has approached and explained the individual's "right to be left alone" as a response to the loss of privacy experienced during that times (Wirtz, Lwin and Williams, 2007).

In spite of their historical roots, the attempts to define privacy were rather difficult due to the wide number of related interests such as the personal information control, reproductive

autonomy, access to places and bodies, secrecy, and personal development (Kemp and Moore, 2007). Many definitions given have tried to explain the content of privacy considering the right to be let alone, limited access to the self, secrecy, control of personal information, personhood and intimacy (Solove, 2002), but misspecifications, cultural and historical biases, and their value-driven appearance altered more or less all of these (Kasper, 2005). Considering the information perspective, and the context of the information age, privacy appears as an ambiguous term and consumers may have different privacy thresholds depending mainly on the factors associated to the data collection (Long et al., 1999), and as a luxury to maintain, due to the many invading ways, mainly through the internet (Pan and Zinkhan, 2006).

From a marketing perspective, definition of privacy should focus on the personal data and information regarding the consumers. Westin (1968) sees privacy as the claim of individuals, groups or institutions to determine for themselves when, how, and to what extent information about them is communicated to others. Schoeman adapted the content of privacy at individual level presenting it as a claim, entitlement or right of an individual to determine what information about himself (or herself) may be communicated to others; the measure of control an individual has over information about himself, intimacies of personal identity, or who has sensory access to him; and a state or condition of limited access to a person, information about him, intimacies of personal identity (Jóri, 2007). Privacy must be seen in connection with the particular area where its content is applied. The above definitions imply the existence of a consumer's private space defined through and including an amount of information referring to the demographic, psychographic and behavioral characteristics of the individuals (personal data), and the rights the consumer should have to disclose or not, respectively to have this information protected through the appropriate laws and means (Veghes, 2009).

Analyzing the evolution of the definitions given to the personal data in the 1998-2008 decade, Grant (2009) has concluded that the content of the personal data, representing the central issue in the data protection, is still under debate. Still, there is a strong need for identification and definition of this data as consumers are more and more approached through direct marketing campaigns by the different companies and public entities. Although most of the consumers have realized that participating in direct marketing is a necessary part of being in a consumer society, they are concerned about the unauthorized use or the misuse of their personal data and information, mainly in the forms of sale of their data without permission, unsolicited contact by businesses, the feeling that businesses know too much about their personal information, and the accuracy of data retained in databases (Pope and Lowen, 2009).

### **Methodological Notes**

The analysis of the variations in the consumers' attitudes regarding the processing and employment of their personal data has been conducted based on the data obtained through the research approaches conducted in January 2010, respectively January 2012. The research sample used in 2010 has included 78 Romanian consumers from the Capital and other cities, aged 21 to 30, with higher education, and holding a professional status of full-time employees, freelancers, entrepreneurs, managers, and students, while the research sample used two years later included 153 respondents, only from the Capital city, aged 23 to 34, with a similar status in terms of the education and professional status. The respondents have provided answers, among other aspects concerning their exposure, experiences, current and future behavior in connection with the direct marketing efforts of the organizations, corresponding to the following objectives and hypothesis of the research:

1) the attitude toward communicating their personal data to the companies or public entities the consumers are getting in touch with; the related research hypothesis states that there is no significant difference between the specific attitudes measures in 2010 and 2012, i.e. the majority of the consumers does not agree to disclose their personal data to companies or public entities;

2) the previous consent the companies or public institutions and/or authorities should obtain from the consumers before asking them to disclose their personal data; the related research hypothesis states that there is no significant difference between the specific attitudes measures in 2010 and 2012, i.e. the majority of the consumers would like to express their consent before disclosing their personal data to companies or public entities; and,

3) the attitudes regarding the employment, registration and processing of the personal data by the companies providing different products and services; the related research hypotheses state that there is no significant difference between the specific attitudes measures in 2010 and 2012, i.e. the majority of the consumers does not agree to have their personal data collected when buying products and/or services; the majority of the respondents does not agree to have their personal data processed after buying products and/or services; and the majority of the consumers does not agree to have their personal data further employed in the promotion of the companies' products and services.

## Main Findings

As in 2010, the consumers have significant reserves toward disclosing their personal data to the companies, but a little bit more relaxed in communicating this data to the public institutions and authorities when getting in touch with them. As the results obtained indicate (see Table 1), the consumers maintain their reserves in disclosing their personal data to the companies approaching them in a direct and interactive manner, in spite of the slightly decrease in the weight of the respondents that would not, or rather not, communicate their personal data to the companies, from 60.2 to 58.1 %. The slightly decreasing weight of the respondents agreeing or rather agreeing to provide their personal data to the soliciting companies, from 39.8 to 39.2 %, supports the conclusion stating that the majority of the respondents adopt a defensive attitude and tend to treat with caution the companies' attempts to capture their personal data.

Instead, the attitude of the consumers toward communicating their personal data to the public institutions and authorities has registered quite an improvement in the last two years: the percentage of respondents willing to provide their personal data to these entities has increased, from 52.6 to 56.8 %, while the percentage of the respondents having reserves in this respect has decreased, from 46.2 % to 41.2 %. This apparently increased confidence in the public institutions and authorities may be seen as an effect of the unfavorable macro-economic context over the consumers' behavior, an important part of them seeking for a certain level of protection from or having more trust in these entities in what regards their personal data collecting, processing, and further employment.

Table 1. Attitudes of the respondents toward disclosing personal data to the companies and public entities ( $n_{2010}=78$ ;  $n_{2012}=153$ ; percentages)

| Disclosing personal data to: | Agree |      | Rather agree |      | Rather not agree |      | Not agree |      | Don't know / Don't answer |      |
|------------------------------|-------|------|--------------|------|------------------|------|-----------|------|---------------------------|------|
|                              | 2010  | 2012 | 2010         | 2012 | 2010             | 2012 | 2010      | 2012 | 2010                      | 2012 |
| Companies                    | 9.0   | 15.7 | 30.8         | 23.5 | 39.7             | 33.3 | 20.5      | 24.8 | -                         | 2.6  |
| Public entities              | 9.0   | 26.1 | 43.6         | 30.7 | 35.9             | 30.1 | 10.3      | 11.1 | 1.3                       | 2.0  |

These differences between the companies and public institutions and authorities in terms of the attitudes toward disclosing the personal data is related to the way consumers seem to perceive the employment of this data. Apparently, the consumers believe that companies could employ the collected personal data in a more threatening manner for their private space and privacy, and, consequently, they have to face increased risks associated with this inappropriate employment – potential abuses, and frauds they may suffer as buyers, consumers, and/or users of the different goods and services. The consumers' trust in the appropriate employment of this data by the

public entities is significantly higher as they do not expect, at least not to the same extent, to experience abuses or any other threats from the part of these institutions and/or authorities.

The right to agree or disagree in disclosing the personal data to the companies and/or public institutions or authorities is one of the most important tools the consumers may use to defend their privacy and private space. Results obtained indicate (see Table 2) that, overall, consumers consider this agreement they should be asked for and could express as mandatory before any attempt of the companies and public entities to obtain their personal data is conducted.

Table 2. Attitudes of the respondents toward having the right to express their consent before disclosing their personal data to companies and public entities ( $n_{2010}=78$ ;  $n_{2012}=153$ ; percentages)

| Consent given before disclosing personal data to: | Agree |      | Rather agree |      | Rather not agree |      | Not agree |      | Don't know / Don't answer |      |
|---|-------|------|--------------|------|------------------|------|-----------|------|---------------------------|------|
|   | 2010  | 2012 | 2010         | 2012 | 2010             | 2012 | 2010      | 2012 | 2010                      | 2012 |
| Companies   | 82.1  | 79.1 | 17.9         | 16.3 | -                | 2.6  | -         | -    | -                         | 2.0  |
| Public entities                                   | 67.9  | 72.5 | 26.9         | 18.3 | 3.8              | 5.9  | -         | 2.0  | 1.3                       | 1.3  |

The attitude of the respondents regarding the agreement they should be asked before disclosing the personal data to the companies and public institutions and/or authorities reconfirms the higher confidence the consumers have in the public entities: the percentages of the respondents demanding for this agreement from the part of these entities were slightly lower, both in 2010 and 2012, by comparison to the similar percentages associated to the companies. In spite of the slight decrease (from 100.0 to 95.4 %, in the case of the companies, respectively from 94.8 to 90.8 %, in the case of the public entities), these percentages remain higher which supports the conclusion that consumers tend to perceive the mechanism of expressing their previous consent before any collection and processing of the personal data takes part as an extremely important instrument in defending their private space and privacy. A possible explanation for the apparent relaxation of the consumers in soliciting the companies and/or public entities to demand for their previous consent may be the consequence of the decrease in the frequency and intensity of the direct marketing companies conducted in the last two years. Moreover, the migration of the marketing communication to the Internet has partially solved the problem: according to the current legal provisions, organizations should ask for the consumer's consent before sending any marketing messages when these have an obvious commercial character, the previous agreement being not compulsory in the case of the communication aiming to inform the consumer.

What happens with the personal data after being collected by the companies represents a significant concern for the consumers. The lack of trust in the good intentions of the companies in terms of the personal data capturing, processing, and further employment already proven made the majority of the respondents to rather not agree to have this data collected, processed after buying different products and/or services, respectively employed in marketing communication campaigns promoting products and services in the market. As the results obtained (see Table 3) indicate, the evolutions in the last two years did not changed significantly the attitude of the respondents: both in 2010 and 2012, the majority did not agree to have their data captured (57.7 % in 2010, respectively 54.3 % in 2012), processed (56.4 % in 2010, respectively 60.2 % in 2012), and further employed (73.1 % in 2010, respectively 71.2 % in 2012).

Table 3. Attitudes of the respondents towards capturing, processing, and employment of their personal data by the companies (n<sub>2010</sub>=78; n<sub>2012</sub>=153; percentages)

| Companies should not:     | Agree |      | Rather agree |      | Rather not agree |      | Not agree |      | Don't know / Don't answer |      |
|---------------------------|-------|------|--------------|------|------------------|------|-----------|------|---------------------------|------|
|                           | 2010  | 2012 | 2010         | 2012 | 2010             | 2012 | 2010      | 2012 | 2010                      | 2012 |
| ... capture personal data | 26.9  | 32.7 | 30.8         | 21.6 | 24.4             | 26.1 | 12.8      | 15.7 | 5.1                       | 3.9  |
| ... process personal data | 28.2  | 38.6 | 28.2         | 21.6 | 24.4             | 21.6 | 16.7      | 13.1 | 2.6                       | 5.2  |
| ... employ personal data  | 56.4  | 54.9 | 16.7         | 16.3 | 14.1             | 13.1 | 11.5      | 11.1 | 1.3                       | 4.6  |

Capturing and processing of the consumers' personal data were and still are perceived in a reserved manner by the investigated respondents: the majority agrees or tend to agree that companies should not process this data although is rather improbable even to imagine a situation in which a company will be content only to capture and store the personal data of its customers and prospects without conducting any processing allowing them to know better their consumers' demographics, psychographics and behavioral characteristics, to profile them, and to use this insight in planning more effective direct marketing campaigns. A possible interpretation of the respondents' attitude in this respect may refer to a certain expectation that their personal data will be processed in a way that will not affect their private space or do not expose their private lives.

Further employment of the consumers' personal data by the companies to promote their products and/or services through direct marketing campaigns is perceived in a rather unfavorable and reserved manner by the respondents: the majority agrees or tends to agree that companies should not employ this data in marketing communication campaigns. The percentages associated to the consumers not (or rather not) having a problem in disclosing their personal data (as obtained in 2010 and 2012) support the overall reserved attitude of the respondents regarding the processing of their personal data. These reserves are not necessarily determined only by the worries consumers may have regarding the risks associated with an inappropriate processing and further employment of their personal data, but also by the unclear definition of the personal data and the relative low consumers' knowledge on how this data should and could be protected.

As on overall conclusion that can be stated based on the results obtained in 2010 and 2012, the reserves of the consumers in terms of their personal data collection, processing, and further employment may suggest that this data should be used mainly in the database marketing activities, and less in direct marketing campaigns. The results also reveal the importance of educating consumers for a better understanding of the content of their personal data, the appropriate manner of collecting, processing and employment of this data, and the rights they are entitled as providers of personal data.

### Conclusions, limits of the research, and main implications

Findings of the research approaches conducted in 2010 and 2012 show that the attitude of the consumers toward the processing their personal data was and remains a rather reserved one: consumers are not so willing to disclose personal data and are concerned for the risks they should face when this data is employed in an inappropriate manner. The consumers have significant reserves toward disclosing their personal data to the companies, but a little bit more relaxed in communicating this data to the public institutions and authorities, the increased confidence in the public entities could being an effect of the unfavorable macro-economic context over the consumers' behavior of seeking for a certain level of protection from or having more trust in these entities.

The research results indicated that, in spite of an apparent relaxation and in the context created by the recent migration to the Internet of the marketing communication, the consumers tend to perceive the mechanism of expressing their previous consent before any collection and processing of the personal data as an extremely important instrument in defending their private

space and privacy. This attitude may be associated with a behavior that avoids an engagement in direct and interactive relationships with the organizations and aims to create a safety distance allowing the effective defense of the consumers' private space and privacy.

Finally, the reserves consumers have regarding their personal data collection, processing, and further employment may suggest that this data should be collected and processed only with the previously expressed consent of the consumers, mainly in database marketing activities, and less in direct marketing campaigns. Educating consumers for a better understanding of their personal data content, collecting, processing and further employment, and the rights they have as data providers could generate significant improvements of the related consumers' attitudes.

Both the research approaches have been conducted in the context created by the existence of the limits related to the set of the variables considered to define and measure the attitude of the consumers regarding the processing of their personal data: obviously, these variables should be redefined in order to allow further research to be conducted. Other important limits are derived from the sample and the sampling procedures used: the differences between the samples, mainly in terms of the size and the demographic profile of the respondents (age and residence) have produced variations between the results obtained; further research should be conducted using a sample covering also the rural areas and having a representative structure in terms of demographics such as education and income.

The main implications of the results provided by the research approaches conducted in 2010 and 2012 are related to: (1) the significant difference in terms of the attitudes of the consumers toward disclosing their personal data to the companies, respectively the public entities, and (2) the reserves of the consumers regarding their personal data collection, processing, and further employment. Improving the attitude of the consumers, in fact, increasing their trust in the companies' and public entities' good intentions concerning the capturing, processing, and employment of their personal data should represent a priority for all the data processors and controllers that should action aiming to safeguard the consumers' private space and privacy. Clarification of the definition given to the personal data, and a better delimitation of the private space of the consumer, will create a better legal environment for the capturing, processing, and employment of this data, increase the confidence of consumers, as well as their openness toward the direct, interactive and personalized communication attempts of the organizations.

### **Acknowledgement**

The authors of this paper would like to thank the UEFISCDI (Executive Unit for Financing Higher Education, Research, Development, and Innovation) for the support provided in conducting this research and the dissemination of its results.

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