

The Role of Control in Privacy Decision-Making: Implications for Consumer Protection and Firm Strategy

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Motivation:

One of the novel provisions of the European General Data Protection Regulation is that firms must give their customers a choice to opt out of having their data used for marketing purposes. Also, companies like Facebook and Apple have in recent years gradually started giving users more control over which data is collected about them and how it is used. Although there seems to be a consensus that consumers benefit from having more control over their personal data, paradoxically, more control can also induce consumers to make more risky privacy choices. In contrast, in other cases and contexts, it is also conceivable that most consumers opt out of having their personal data used by online businesses although they may benefit from free data-driven services (e.g., due to targeted advertising). Consequently, firms walk a fine line when giving users more control since they might risk losing out on data collection opportunities and, consequently, revenue.

Goal:

The goal of this thesis is to discuss the different facets of control in the privacy domain by giving a structured overview of the respective academic literature. Specifically, it should be summarized how consumers react to having more control over their data and how that impacts firms' benefits and their incentives to offer control. From these findings, implications on how consumers can effectively be empowered by control and how firms should choose their strategy regarding control should be derived.

References and Related Literature:

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