

## **Information Avoidance in the Privacy Domain: An Experimental Design [Working Title]**

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### **Motivation:**

Transparency is one of the key pillars of current privacy regulation efforts. The European General Data Protection Regulation, as well as the California Consumer Privacy Act, specify strict requirements on what information about their privacy practices firms need to provide to their customers. The goal is to empower consumers to make more informed decisions regarding their privacy. According to classic economic theories that see information as a scarce resource, individuals should always seek and make use of available information to improve their decisions. Following this line of thought, users should always value transparency since costless information can at worst be uninformative for making optimal decisions.

However, experiments in behavioral economics, psychology and neuroscience show that individuals frequently choose not to obtain information, even if it is costless and could help make better decisions. For example, people at risk of a genetic disease sometimes avoid being tested for that disease even if the results could help them make important treatment decisions. In other cases, it has been found that individuals on a diet might avoid getting information on the calories of a dessert they want to enjoy. This behavior, termed *information avoidance*, has been documented in a wide variety of contexts where information could be unpleasant, ranging from finance and management decisions to personal attractiveness and health. However, research that applies theory on information avoidance to the privacy context is still scarce. The application of such theories might be especially insightful since privacy decisions have been shown to be substantially impacted by people's bounded rationality and biases. Therefore, users might not always want to know what type of data is collected about them, how it is used or whether it is appropriately protected since this information might be unpleasant for them.

### **Goal:**

This thesis should, in the first step, summarize key findings from the literature on information avoidance. In the second step, these findings should be applied to the privacy context by developing an experimental design that can be used to test whether information avoidance is present in privacy decisions. Specifically, the experimental design should allow a researcher to investigate whether individuals seek out information on how their data will be used and handled or actively choose to remain ignorant. The specific context of the experiment can be chosen by the student and could, for example, draw from an Internet of Things or Artificial Intelligence context but is not limited to these two possibilities. The scope of this thesis does not necessarily include conducting the experiment. Instead, the focus lies on developing an experimental design that fulfills rigorous scientific standards.

### **References and Related Literature:**

Betzing, J. H., Tietz, M., vom Brocke, J., & Becker, J. (2020). The impact of transparency on mobile privacy decision making. *Electronic Markets*, 30(3), 607-625.

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- Sweeny, K., Melnyk, D., Miller, W., & Shepperd, J. A. (2010). Information avoidance: Who, what, when, and why. *Review of General Psychology*, 14(4), 340-353.