



To Share and Protect: Using Regulatory Focus Theory to Examine the Privacy Paradox of Consumers' Social Media Engagement and Online Privacy Protection Behaviors[☆]

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Available online 11 May 2017

Abstract

Consumers' personal information often informs retailers' marketing efforts in terms of creating value in the online marketplace. This study examines four factors related to consumers' social media engagement and online privacy protection behaviors. Regulatory focus, social exchange, and marketing relationship theories explain the online consumer personal information share-and-protect model developed. Consumers aged 18–64 years across the United States participated in this survey research. The results suggest that while personal privacy violation experience and perceived secondary control of one's personal information are influential antecedents, privacy concerns and trust in social media websites mediate each of these respectively. The findings suggest that promotion- and prevention-related behaviors regarding personal information align with the orientation of the antecedents, indicating that regulatory focus theory shows promise for examining the privacy paradox. We conclude by developing a matrix that integrates regulatory focus and social exchange theories to guide future research.

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Keywords: Regulatory focus theory; Social media engagement; Privacy paradox; Online behavior; Privacy; Consumers

Introduction

Facilitating consumer engagement with product and service offerings has been a business priority for more than a decade and has become a research priority (<http://www.msi.org/topics/integrated-customer-experiences>). In business, publicly traded social media companies, like Facebook, are evaluated by the number of consumers they can attract and engage. Metrics reported, such as daily and monthly active users,¹ measure behavioral engagement. Social media, in particular, is radically changing the way companies and consumers communicate

(VanMeter, Grisaffe, and Chonko 2015). Attracting and motivating users to share content on social media platforms are critical to business success because the content users share helps attract and engage other users in turn. Although most U.S. Internet users (85%) access social media (Perrin 2015), distribution is skewed between those who view content and those who post content (Blazevic et al. 2014). One purpose of this research is to identify factors associated with consumers' sharing of personal information in a social media context.

User-generated content requires that consumers share information (Dellarocas 2003); consumers' posting reviews is one type of online information sharing (Mosteller and Mathwick 2014). According to Brodie et al. (2011), engagement is a customer's psychological state arising from interactive experiences within a dynamic process that co-creates value in a service relationship. To maximize engagement, insights into customers' "interaction preferences" are critical (Blazevic et al. 2014) because they may be context dependent (Mathwick and Mosteller 2017; Rainie and Duggan 2016). Recent findings suggest that

[☆] Note: This research did not receive any specific grant from funding agencies in the public, commercial, or non-profit sectors.

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¹ Facebook 2013 Annual Report (<https://www.sec.gov/Archives/edgar/data/1326801/000132680114000007/fb-12312013x10k.htm> accessed December 26, 2014).

consumers' perceptions of factors surrounding the context of the interaction help explain what promotes or prevents engagement. While facilitating user engagement, even offline, can enhance the overall experience (Jaakkola and Alexander 2014), identifying factors and the interrelationships that increase users' inclinations to share information on social media platforms is timely and important (Hajli and Lin 2016).

In addition to understanding what motivates consumers to share information on social media, what *prevents* them from sharing information online may provide insights into barriers to engagement. Reducing privacy concerns by protecting consumer data from outside entities may reap marketplace benefits, as suggested by Apple, which rebuffed court orders to unlock customers' phones (Mims 2016). Thus, this research answers the call for empirical studies to focus on antecedents and outcomes related to privacy concerns (Smith, Dinev, and Xu 2011). It departs from previous studies (Miyazaki and Fernandez 2001; Paulin et al. 2014; Phelps, Nowak, and Ferrell 2000; Smith et al. 2014) by examining self-reported online behaviors rather than behavioral intentions, a distinction Smith, Dinev, and Xu (2011) note to better understand the privacy paradox.

The model empirically tests two frameworks: (1) a model on antecedents and outcomes of privacy concerns (Smith, Dinev, and Xu 2011) and (2) a regulatory focus model that includes trust and privacy concerns as distinct mediating variables for specific behavioral outcomes (Wirtz and Lwin 2009). To our knowledge, this study is the first to integrate regulatory focus, social exchange theory, and marketing relationship theories to explain two opposing personal information-related consumer behaviors modeled simultaneously. Specifically, this research extends understanding of the privacy paradox by showing why consumers may share personal information despite privacy concerns.

In addition, the results may inform public policy and regulation. The Federal Trade Commission is charged with protecting consumers' personal information and ensuring that they "have confidence to take advantage of the many benefits of the ever-changing marketplace" (<http://www.ftc.gov/news-events/media-resources/protecting-consumer-privacy>). This is because consumers may vary in their perceptions of and experiences with the information collected and shared. Ironically, the institutions charged with protecting privacy may also be viewed with suspicion—34% of people who report being aware of government surveillance programs that monitor Internet use report they have taken at least one step to shield their information from the government (Shelton, Rainie, and Madden 2015). While this study's context does not focus on consumers in relation to government entities, it does underscore the importance of the topic. Insights gleaned from this study may prompt future research and inform business, as well as public policy initiatives.

The organization of this paper is as follows: First, we introduce the broad theoretical frameworks that guide the explanations of online consumer behavior in this context. Second, we present our proposed model and the hypotheses derived from the integration of these theoretical frameworks. Third, we discuss the data collection methods and analysis of the data. Finally, we

discuss the results and the managerial implications and provide a framework to help guide future research.

Theoretical Frameworks and Hypotheses

Regulatory Focus Theory and the Privacy Paradox

Regulatory focus theory can help explain the paradoxical behaviors of consumers expressing concern about sharing personal information when online but still doing so. In the following discussion, we integrate regulatory focus theory with other theoretical and related empirical literature to propose that a person's motivation to engage in behaviors may be regulated contingent on strategic promotion or prevention orientations to achieve desired outcomes (Higgins 1997). The modeled antecedents are context-specific factors associated with consumers, social media websites, and online firm interactions. Approach behaviors focus on nurturance-related regulation (i.e., promotion), and avoidance behaviors focus on security-related regulation (Higgins 1997). Promotion strategies focus on gains with sensitivity to the presence or absence of positive outcomes. Online gains can be acquiring and nurturing friendships through social media-related interactions. By contrast, prevention strategies focus on avoiding negative outcomes, that is, a sensitivity to the absence or presence of negative outcomes. Online, prevention motives could be the desire to minimize or prevent personal information from being collected or distributed to others, such as unwanted pop-up ads and unsolicited e-mail (Poddar, Mosteller, and Scholder-Ellen 2009).

Recent research suggests that people with a positive attachment to social media report enjoyment, affirmation, and connecting with others as underlying dimensions (VanMeter, Grisaffe, and Chonko 2015)—that is, attributes characterized as gains. Related online research shows that trust and perceived usefulness are associated with a promotion orientation (Smith et al. 2014; Wirtz and Lwin 2009). Research examining highly engaged online review contributors finds that pleasure with the activity, gaining knowledge, promoting one's opinions, and feeling connected with others are factors that drive consumers to share information online (Mosteller and Mathwick 2014). Contextually, these experiences align with a promotion orientation—that is, motivations focused on gains. Conversely, avoiding invasions of privacy by blocking cookies, closing or clearing browsers after each use, not disclosing personal information online, and using browsers with enhanced privacy settings exemplify prevention-related behaviors. According to Wirtz and Lwin (2009), privacy concerns are an antecedent to prevention-related defective, defensive, and disruptive behaviors.

The behaviors performed may suggest one's strategic inclinations related "to what people consider to be significant in their lives" (Higgins 1997, p. 1284). Promotion-oriented consumers with the goal of nurturing their social networks (e.g., gains characterized as positive interactions with others) may focus more on sharing personal information with others than worrying about invasions of privacy. We propose that a promotion *and* prevention theoretical perspective may be useful for providing insight into the privacy paradox—that is, consumers expressing privacy concerns

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