

Accepted Manuscript

Title: The market's response towards privacy and mass surveillance: the snowden aftermath

Author: Constantinos Patsakis, Athanasios Charemis, Achilleas Papageorgiou, Dimitrios Mermigas, Sotirios Pirounias

PII: S0167-4048(17)30233-X
DOI: <https://doi.org/10.1016/j.cose.2017.11.002>
Reference: COSE 1229

To appear in: *Computers & Security*

Received date: 10-1-2017
Revised date: 30-6-2017
Accepted date: 3-11-2017



Please cite this article as: Constantinos Patsakis, Athanasios Charemis, Achilleas Papageorgiou, Dimitrios Mermigas, Sotirios Pirounias, The market's response towards privacy and mass surveillance: the snowden aftermath, *Computers & Security* (2017), <https://doi.org/10.1016/j.cose.2017.11.002>.

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

The Market's Response towards Privacy and Mass Surveillance: The Snowden Aftermath

Constantinos Patsakis^a, Athanasios Charemis^b, Achilleas Papageorgiou^a, Dimitrios Mermigas^a, Sotirios Pirounias^a

^a*Department of Informatics, University of Piraeus, 80 Karaoli & Dimitriou str, 18534 Piraeus, Greece*

^b*Department of Business Administration, University of Piraeus, 80 Karaoli & Dimitriou str, 18534 Piraeus, Greece*

Abstract

In June 2013, numerous top-secret documents were disclosed, revealing shocking evidence about mass surveillance methods and projects that were undergoing in global scale. These revelations had deep impact in political and industrial level and they sparked huge debates over surveillance, security mechanisms and privacy enforcement. Simultaneously, these revelations led to the introduction of many strong cryptographic mechanisms and the rise of many security and privacy related startups.

Undoubtedly, the Snowden case revealed the largest privacy incidents to on-profit data-controlling entities in modern history. The first reports about the economic impact of these revelations were devastating, nonetheless, they strongly relied on questionnaires and personal speculations and conceptions. In this work, we try to quantify the impact of these revelations, based on the impact that they had on the stock market value of the involved companies. To this end, we apply the event study methodology using both the well-known CAPM and the Fama-French three-factor model for the estimation of the abnormal returns. We compare our results with findings of other studies for the impact of security and privacy incidents and discuss the outcomes of the analysis. Contrary to the intuition and previous related work, our study shows that these revelations did not have an actual impact on the firms' stock prices. The latter can have different interpretations regarding the momentum, the locality, the markets and people attitude towards them, which are discussed in this work.

Email addresses: kpatsak@unipi.gr (Constantinos Patsakis), acharemis@gmail.com (Athanasios Charemis), achipapa@unipi.gr (Achilleas Papageorgiou), dmermigas@gmail.com (Dimitrios Mermigas), spirounias@yahoo.com (Sotirios Pirounias)

Download English Version:

<https://daneshyari.com/en/article/6884053>

Download Persian Version:

<https://daneshyari.com/article/6884053>

[Daneshyari.com](https://daneshyari.com)