

Chapter 59

Dimensions of Privacy Concerns Amongst Online Buyers in India

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ABSTRACT

Internet is quickly becoming the public electronic marketplace. Though the internet has revolutionized retail and direct marketing, the full scale incorporation and acceptance of the internet marketplace with the modern business is limited. One major inhibition shown by the internet buyers is in the form of lack of confidence in the newly developed marketing machinery/technology and concern related fear and distrust regarding loss of personal privacy due to easy access of personal information to the marketers. This concern about personal information and privacy varies with consumers especially with countries. It is also suggested that importance provided to various privacy dimensions would vary. The research investigates different dimensions and their interrelationship to identify factors affecting privacy concern among Net buyers in India.

INTRODUCTION

Privacy research has expanded in the last two decades, particularly in the area of direct marketing. The conventional marketing approach suggests that two expression of control awareness of information collection and usage beyond original transaction are the predominant influences on the degree to which consumer experience privacy concerns. These expressions of control are the bases of the core principles of information collection online. Studies that provide theoretical framework from which to assess consumer privacy underscore the link between consumer control and whether consumers were informed or uninformed of their privacy rights. Most of studies reviewed for this work were situated in western context, either in USA or western European countries. Most of the researchers reported that generalizations from such studies have serious limitations due to the contextual nature of privacy concern debate. It was argued that since different countries have different orientation to and regulation protecting privacy.

DOI: 10.4018/978-1-5225-8897-9.ch059

Based on this researchers argued that it is not proper to assume that some relationships found in their study will hold true among people in countries other than the US/Europe (Pechpeyrou and Nicholson, 2012, Sheehan and Hoy, 2000). Countries can be seen as low-government involvement as USA to moderate to high involvement as India where a law has been framed to regulate organizational use of personal information and reasonable penal provisions are outlined against misuse of data. In view of the above the present study is an attempt to add to the existing efforts in academic domain to develop a covert understanding of privacy concerns of net user across cultures and geographies. India being one of largest net-users market with a young demography and moderately regulated market in relation to commercial use of information certainly presents a different context altogether to test the existing typologies.

Phelps et al (2000) argued that the privacy concern of customers vary significantly. These difference are generally explained through cultural and demographic differences (Berendt et al., 2005, Hann et al., 2007, Milne and Bahl, 2010). It has also been noted that privacy regulations vary significantly across philosophical and jurisdictional consideration. There are countries with almost no regulation and then there are others with strict and formal laws (Bellman et al., 2004, Milberg et al., 2000).

The past decade has witnessed rapid escalation of the diffusion of the Internet as a source of consumer entertainment, education, and marketplace exchange. Increase in the amount of information marketers collect and store regarding not only consumer characteristics but also actual shopping behavior is in association with the growth in e-commerce. The amount of data gathered by the marketers is growing at constantly accelerating rates as it is possible to record most features of online marketing transactions electronically for future use. Unfortunately this blossoming reservoir of information is accompanied by technologically enhanced versions of two previously studied database issues such as the privacy and security of accumulated consumer data. These issues are of interest to not only consumers but also policymakers with respect to both protecting consumers' rights regarding the privacy and security of their personal and financial information and facilitating the continued growth of e-commerce and the benefits it brings to consumers and businesses (e.g. enhanced efficiencies of information exchange and targeted communication) (Belanger et al., 2002, Miyazaki and Fernandez, 2000, Miyazaki and Fernandez, 2001). It is generally accepted and researchers have confirmed (Karson, 2008) that consumers' privacy concerns negatively affects their willingness to participate in e-commerce and this lack of confidence in online privacy as the major problem hampering the growth of e-commerce and limiting its contribution to low single digit to the worldwide economy.

Today individual specific consumer information are routinely collected and used by retailers, manufacturers, service providers, and non-profit organizations. However, serious concerns were raised about the extent to which marketers should be allowed to gather and use personal information about specific consumers (Culnan, 1995, Culnan and Bies, 2003, Hui et al., 2007, Malhotra et al., 2004, Nowak and Phelps, 1995, Phelps et al., 2000). Various and diverse surveys conducted in the past indicate that consumers are concerned about what companies know about them, how companies obtain and use personal information, and the accuracy of the information used (Harris, 1996, Harris and Westin, 1995, Katz and Tassone, 1990). In addition, many consumers support privacy protection measures, including restrictions on information exchanges (Norberg et al., 2007, Nowak and Phelps, 1992, Petrisson and Wang, 1993, Phelps et al., 2000, Turban et al., 2009, Wang and Petrisson, 1993). Though there lack of studies on privacy concern in Indian environment, in US and other countries such polls have routinely indicated that the majority of citizens are concerned about threats to their personal privacy (Harris, 1996, Harris and Westin, 1995, Katz and Tassone, 1990) in variety of ways. With personal data marketers are better able to identify best prospects, create promotions and rewards programs that build customer loyalty, customize

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