Why Does Privacy Paradox Exist?  
A Qualitative Inquiry to Understand the Reasons for Privacy Paradox Among Smartphone Users

Sakhhi Chhabra, Indian Institute of Managemen, Sambalpur, India*

ABSTRACT
In this exploratory study, the main aim was to find why people disclose information when they are concerned about their privacy. The reasons that provide a plausible explanation to the privacy paradox have been conjectural. From the analysis of the 18 in-depth interviews using grounded theory, themes were then conceptualized. The authors found rational and irrational explanations in terms of cognitive biases and heuristics that explain the privacy paradox among mobile users. They figured out some reasons in this context of mobile computing which were not emphasized earlier in the privacy paradox literature such as peanut effect, fear of missing out (FoMo), learned helplessness, and neophiliac personality. These results add to the privacy paradox discourse and provide implications for smartphone users for making privacy-related decisions more consciously rather than inconsiderately disclosing information. Also, the results would help marketers and policymakers design nudges and choice architectures that consider privacy decision-making hurdles.

KEYWORDS
Behavioural Biases, Heuristics, Privacy Paradox, Qualitative Inquiry, Smartphone Users

1. INTRODUCTION
With the rapid diffusion of smartphones, the mobile channel has morphed into an ultimate marketing vehicle (Varnali and Toker, 2010). Approximately 500 million smartphone users in India share immense digital data through apps with unidentified parties (Ians, 2020). Unlike the EU General Data Protection Regulation (GDPR), which mandates service providers to inform users about the purpose and terms of personal data processing (Betzing et al., 2020), in an emerging economy like India, there is no legal obligation on service providers for personal data processing. Mobile users ignore the fact that smartphones are considered ‘portable personal spy’, and the information collected through phones can be easily used in profiling them, and with always-on data transmission, there is a strong potential for privacy intrusion (FTC, 2009). On one end of the spectrum, individuals are anxious about the misuse of their data, but on the other end, they share personal data by clicking onto terms and conditions with the blink of an eye. In the quest for more convenience, or pursuit of personalization, individuals end up disclosing data, however, they articulate high privacy concerns (Acquisti, 2012). This has been documented as a ‘privacy paradox’ which is the essence of this research work.

Privacy paradox refers to the discrepancy between a consumer’s stated privacy risk beliefs and their actual behaviors (Norberg, et al, 2007). Users express the need for transparency and information...
control, but the desire to own a specific app seems to offset its potential risks. Mobile users accept the ‘all-or-nothing’ policy by app stores just to download a particular app, whereby they voluntarily give permissions to apps for collecting their personal information (Betzing, 2020). Sometimes rationally and sometimes obliviously people behave paradoxically to their privacy concerns and behavior. Thus, finding the reasons for this paradox amongst the mobile users is significant to help the users make more accurate decisions which is beneficial for them to continue using mobile phones securely. Findings these reasons will add to the new facets of understanding the word-deed gap.

There have been numerous studies that have tried to propose theoretical explanations for the privacy paradox nevertheless no comprehensive explanation has been found so far (Kokolakis, 2017). Many studies have quantitatively tried to map the relation between privacy attitude (often operationalized as the assessment of privacy concerns or perceived risk,) and intention to disclose. In this research, we try to understand human behavior more precisely by digging into actual disclosure behavior.

Some social scientists have given rational explanations for this paradox, but some have debunked the assumptions that individuals make rational disclosure online (Kokolakis, 2017). Users are not always capable of making rational disclosure decisions, due to cognitive limitations. However irrational reasons in terms of cognitive and behavioral biases to privacy disclosure decisions have been conjectural. Thus, to understand this phenomenon and find out the reasons (rational and irrational explanations) of the privacy paradox, an exploratory investigation was most appropriate. Qualitative research would help in gaining new insights into a phenomenon as it is based on interpretation and understanding of opinions and motivations of the respondent. With the help of in-depth interviews, the interviewer could probe hidden issues, personal opinions, beliefs, and values more profoundly. Thus, the objective of this research is to find out the reasons which govern the explanation for the existence of the privacy paradox among smartphone users.

On figuring out which of the reasons function in privacy decisions making, individuals shall be able to make more conscious decisions that minimize adverse outcomes and avoid getting manipulated by design tricks of platforms to harm consumers’ privacy. Also contrasting to the EU GDPR, which came into effect on 25th May 2018, to reduce information asymmetry by strengthening data protection for EU citizens (Betzing, et al., 2020), India does not have any legal privacy protection policy the same. In an emerging country with a vast majority of mobile users, it is significant that any processing of personal data must follow the principles of lawfulness, fairness, and transparency. This study shall add to building up understanding towards developing a useable privacy policy keeping disclosure behavior in mind. The results shall assist policymakers in developing more usable privacy and security tools, whereby user’s privacy concern aligns with their disclosure behavior. Interventions can be designed to gently guide users towards safer practices rather than imposing decisions. The implications of the study will range in the area of ‘nudging research’ and ‘soft paternalism’. In the following sections, we provide a review of relevant literature, elaborate on the method used in our study, and provide a detailed illustration of the reasons found in the analysis. The paper concludes with a discussion including implications for research and practice, and study limitations.

2. LITERATURE REVIEW

In 2001, Brown uncovered the concept of the ‘privacy paradox’ in a series of in-depth interviews with online shoppers. He inferred that individuals expressed their concerns about privacy infringement, but they still give their details to online retailers as long as they had some benefit in return (as cited in Kokolakis, 2017). Individuals who claim to perceive high amounts of privacy risk and low intention to disclose information still demonstrate relatively higher levels of actual information disclosure (Acquisti and Grossklags, 2005; Norberg et al., 2007). And this level of actual disclosure significantly exceeded individuals’ intentions to disclose information for various categories of information like personally identifying, financial, demographic, etc. (Norberg and Horne, 2007). In many domains of
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