

Chapter 3

The Influence of Information Control upon On-Line Shopping Behavior

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ABSTRACT

Previous studies have explored privacy instruments and disclosures as factors that affect on-line shopping intentions or attitudes. However, few have evaluated how information control affects this behavior. This paper draws on psychological and social justice theories to gain an understanding of how information control impacts on-line purchasing directly or indirectly through the mediation of intrinsic motivation. The resulting causal model was validated using structural equations with data from 179 respondents. Results show that perceived information control affects cognitive absorption, and users, as expected, value procedural fairness.

INTRODUCTION

Although the world economy is in recession, on-line shopping has steadily increased, e.g., 9% in 2008 (IT Facts, 2009). In addition, 48 million households in the United States paid their bills on-line in 2008, and this number is expected to increase to 63 million by 2014. However, this growth can be hindered by perceptions of a lack of information privacy on Web sites, and this

issue has been identified as one of the most important problems for e-businesses operating in our information-centric, global, and digital economy (Awad & Krishnan, 2006). Many potential on-line customers are wary of providing too much information as they can be aware that their browsing behavior might be tracked and personal data can be misused (Hann et al., 2007). Consequently, individuals want to control personal information boundaries and avoid unwanted disclosure to third

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parties (Goodwin, 1991; Novak et al., 1999), and many visitors expect Web sites to provide a variety of information controls such as the ability for individuals to remove their names from mailing lists (Culnan & Armstrong, 1999).

Privacy, i.e., the extent to which people can control the release and dissemination of personal information (Stone & Stone, 1990), is a matter of procedural justice (Bies, 1993). In social justice theory, procedural fairness refers to an individual's perception of being treated fairly, and this perception can be positive even though there might be an unfavorable outcome (Culnan & Armstrong, 1999). However, it can become negative when consumers find increasingly invasive information collection from commercial Web sites, and therefore, they could be less willing to patronize these e-businesses (Awad & Krishnan, 2006).

Many previous studies of e-commerce have investigated antecedents of consumer satisfaction (e.g., Devaraj et al., 2002) and perceived consequences of on-line shopping behavior (e.g., Vijayasarathy, 2004). This paper explores how perceived information control relates to on-line purchase behaviors directly, and how intrinsic motivation mediates between privacy control and ultimate purchase based upon social justice and psychological theories. Individuals' perceptions that they can control their personal information influences their motivation and subsequent behavior (Alge et al., 2006), and the less control that people believe they have, the more negative psychological outcomes will arise (Stone et al., 2003).

THEORETICAL FOUNDATION

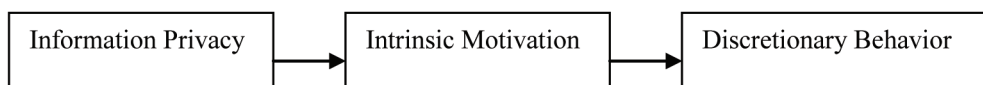
As depicted in Figure 1, theory suggests that information privacy contributes to people's intrinsic motivation that in turn influences their discretionary behavior (Hann, et al., 2007). Each of these factors is explained in more detail below.

Information Privacy

Control refers to the freedom to either accept or reject a process or decision, and according to social justice theory, control over the disclosure of information is associated with procedural justice (Alge, 2001; Hoffman et al., 1999). Stewart and Segars (2002) define information control as "the consumer's ability to control the dissemination of information related to or provided during such transactions or behaviors to those who were not present," while Westin (1967) defines privacy control as "the claim of individuals, groups, or institutions to determine for themselves when, how, and to what extent information about them is communicated to others."

Previous studies show that most consumers are willing to disclose some personal information based on their judgment of risks and benefits (Eddy et al., 1999; Woodman et al., 1982), but most consider organizations' collection of their personal information without permission to be invasive (Stone et al., 2003). Greater perceptions of privacy control result in better judgments of procedural fairness (Culnan & Armstrong, 1999), and most people don't mind negative consequences with a decision if they recognize that the procedures are fair (Miyazaki & Fernandez, 2001). People ap-

Figure 1. Information privacy and behavior model (adapted from Alge et al., 2006)



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