

Louisiana State University

LSU Scholarly Repository

---

Honors Theses

Ogden Honors College

---

5-2020

## Studying the Effects of Privacy Concern, Exchange of Benefits, and Brand Trust onto the Generational Intention to Disclose Personal Information

Lauren Roach

Follow this and additional works at: [https://repository.lsu.edu/honors\\_etd](https://repository.lsu.edu/honors_etd)



Part of the [Mass Communication Commons](#)

---

### Recommended Citation

Roach, Lauren, "Studying the Effects of Privacy Concern, Exchange of Benefits, and Brand Trust onto the Generational Intention to Disclose Personal Information" (2020). *Honors Theses*. 1252.

[https://repository.lsu.edu/honors\\_etd/1252](https://repository.lsu.edu/honors_etd/1252)

This Thesis is brought to you for free and open access by the Ogden Honors College at LSU Scholarly Repository. It has been accepted for inclusion in Honors Theses by an authorized administrator of LSU Scholarly Repository. For more information, please contact [ir@lsu.edu](mailto:ir@lsu.edu).

Studying the Effects of Privacy Concern, Exchange of Benefits, and Brand Trust onto the  
Generational Intention to Disclose Personal Information

by

Lauren Roach

Undergraduate honors thesis under the direction of

Dr. Jun Heo

Department of Mass Communication

Submitted to the LSU Roger Hadfield Ogden Honors College in partial fulfillment of  
the Upper Division Honors Program.

May 2020

Louisiana State University  
& Agricultural and Mechanical College  
Baton Rouge, Louisiana

As time progresses in the 21<sup>st</sup> century, technology gets increasingly advanced by the day. New innovations such as omnichannel marketing, artificial intelligence, data privacy, and data security have become avid changes to the advertising landscape. Advertising has become directly affected by those technological advances. Media platforms such as Facebook and Google have created extensive advertising technologies that leads the charge in effectively targeting consumers and marketing various products and services through unprecedented ways. Data privacy and data security are two innovations causing consumer behavior attitudes to fluctuate due to consumer's right of privacy. When speaking about privacy in the context of the Internet, it can be defined as "preventing access to one's personal information by others without permission" (Debatin et al. 2009; Gross and Acquisti 2005). While privacy varies per person, this essay aims to discover if common attitudes differ by certain demographics or generations. By taking a look from the consumer-based attitude this study will show if there is a difference in levels of privacy concerns that affects willingness to use a specific platform according to the benefits of the service. Awareness makes all the difference from making the decision when disclosing personal information and in order to know if consumers are aware of data security and privacy concerns, we must track the initial starting attitude. Making informed decisions requires educating ourselves and keeping up to date on laws regarding to data privacy and data security.

**Research Questions:**

Do the following factors of brand trust, exchange of benefits and rewards, and privacy concern have a direct effect on the intention to provide personal information to brands? If so, would there be differences between generations, gender, or different racial groups?

## Literature Review

### *Exchange of Benefits & Brand Trust*

With the rise of social media and the advancement of advertising innovations, consumer information has become a tradeoff where consumers give up personal information to receive rewards and benefits to new services. In more recent times advertising efforts have been directed most heavily toward millennials and Generation Z to discover how best to alter ads to best reach targeted consumers. In recent studies it has been proven that consumers are more willing to disclose personal information in exchange for benefits or reward that they value. A study conducted by the Columbia Business School found that people rated their address, phone number, name and date of birth as the four most sensitive pieces of personal data yet 70% of consumers consider sharing that same information even when they are not required to (Quint and Rogers, 2015). Another GfK study interviewed over 22,000 consumers 15 years and up to gauge the willingness of participants to share personal data in exchange for benefits or rewards and found that over a quarter of internet users across the world strongly agree that they are willing to share their info in exchange for rewards such as lower costs or personalized service (GfK, 2017). While studies do not show an explicit age gap, GfK found that the consumers who are most likely to release the information range are between the age of 30-40. In other studies, such as the one conducted by the Columbia Business School, there has suspected to be a positive correlation between exchanging information and collecting benefits/rewards (Quint and Rogers, 2015). The greater the benefits, the more willing a consumer is to give away personal information they usually would have a problem with.

Brand trust is another factor that influences the willingness of sharing personal data. Brand trust is defined as “willingness of the average consumer to rely on the ability of the brand

to perform its stated function” (Chaudhuri and Holbrook, 2001). The Columbia Business School states that over 75% of consumers are more willing to share various types of personal data with a brand they trust (Quint and Rogers, 2015). Many brands have adopted this strategy to better reach to the millennial and Gen Z demographic. By adopting an advertising strategy focusing on brand trust, companies aim for their customers to feel more willing to share data that the brand will collect and use for future campaigns. They would also simultaneously give customers what they want in return, benefits. Many examples exist of this today in the online retail landscape for example, when new customers visit companies websites one of the first things that appears is a pop-up window prompting the user to disclose their name, email address and/or phone number with the guarantee of a certain discount off the next purchase. While many customers might exit from the that pop-up, it can also be used as an effective tool to collect targeted audience information in exchange for the discount. This strategy could also lead to a rise in purchase intention, more people will want to buy from a brand if they know they can get a product or service at a discounted price by giving away a simple email address. While brand trust has suspected to have a positive correlation with willingness to share data, this study aims to see if attitudes trends between generational attitudes.

Brand trust, however, is a variable that fluctuates through industries. When asked how willing consumers are to give trusted brands personal information, they have proven to be more open with disclosing information ranging from name, date of birth to purchase and website history and social networking access. The Columbia Business School’s study found that nearly 50% of consumers who were not inclined on disclosing their information had a higher likelihood of sharing those same pieces of data with trusted companies (Quint and Rogers, 2015). A study conducted by Gallup found that Millennials have a more positive outlook when dealing with

finances and the economy. This optimistic view then disperses onto their outlook of dealing with brands across every industry. Gallup found that an impressive 80% of them say they have "some" or "a lot" of trust in the companies they do business with to keep their personal information secure (Flemings and Adkins, 2016). While Millennials views differ from other generations it is one common theme that all generations tend to trust online retailers and social networking sites the least. Perhaps because these types industries are more likely to be affected with data breaches or guarded with little protection, there will always be a disconnect between consumers that will cause distrust.

### *Security Over Privacy*

Based on secondary research findings, American consumers seem to be more cognizant of the security rather than the privacy of their data. While consumers willingly give away their data, trust is a requirement they must have with companies they are disclosing their information to ensuring that their information is not stolen or sold to other researchers against their knowing. In recent times, data breaches have started to happen more frequently and with more extreme volumes than ever before. Data breach is a top of mind concern to comfort while using the internet, especially to consumers of older generations. Millennials are the first generation that has grown up with technology, experts say this could have caused a lower standard of privacy since they have been exposed to more breaches than an older consumer making them essentially normal. In the study conducted by Gallup, Millennials show to have a strong trust in companies to keep their data private "all/most of the time" with a 44% majority view that their information is being protected by the brands they choose to interact with. Oppositely, traditionalist (Baby Boomers) believe their information is kept private "little to none of the time" (Flemings and Adkins, 2016.) The other belief is that Millennials have a higher standard for privacy, demanding

platforms and companies to safeguard their information because of their awareness of technology risks and by now they know how technology works. Of course, the perspective will differ in each consumer, no matter the level of concern but since millennials have exposure and visibility to data breaches, they still remain trusting of companies to hold their information no matter the risks.

### *Privacy Concern*

As media platforms have become more personalized, consumers often associate it with becoming intrusive and have become much more cognizant of what information they share and what they consider to be drawing the line of a privacy invasion. Privacy can be measured by the amount of control one has regarding their personal information and their decision to be willing to give it up according to their discretion (Debatin et al. 2009; Gross and Acquisti 2005). While using Facebook especially, the privacy concern regarding use of personal information for marketing on social media has been heightened since a security glitch on the platform in 2010, which could have resulted in accidental release of users personal data (Wortham, 2010). Personalization and privacy concerns have become intertwined in the consumer perspective because they use consumer data to determine which ads are targeting their perspective audiences. While many might view this in a negative light, the Digital Advertising Alliance conducted a study that found that nearly 70 percent of research participants preferred their ads to be targeted and aligned with their interests (Bachman, 2013).

Attitudes and behaviors toward privacy vary greatly between each and every consumer. In perspective to the marketing funnel, consumers who have a high privacy concern have been shown to be less likely to purchase an advertised product and have a negative attitude toward promotional messages (Phelps, D'Souza, and Nowak, 2001). Thus, leading to a higher rate of

advertising avoidance. One thing that consumers have in common when it comes to information privacy is that their views depend on their circumstances. In a study conducted by Pew Research Center they reported it depends with what happens with their data after it is collected, especially if it is made available to third party apps (Rainie and Duggan, 2016). While Millennials maintain a positive attitude when disclosing personal information, this generation also seems to be a bit naïve as most consumers choose to believe that once given, their information is being kept private (Fleming and Adkins, 2016). Growing up as one of the first generations to have been exposed to technology millennials understand that information is simply currency and that is their price to pay to access certain goods and services. In this digital world, privacy concern is the biggest tradeoff given in exchange of access.

## **Method**

An online survey consisting 18 questions was administered to a sample of 200 participants. Respondents were compensated through Amazon mTurk for their participation in the study. Only respondents with complete information were included and analyzed thus totaling 181 (n= 181, male 65%, female 35%). The mean age of the subjects fell between the ages of 25-34 years old.

Participants were asked questions to define their privacy concerns and given an example of an actual brand to ensure how their intention to share personal information affected their interaction when under investigation. At the end of the survey, respondents answered questions about their demographic information that included age, gender, race and generation they associated with.



To identify the effects of privacy concern and brand trust on U.S. adult population's attitude toward the intention of sharing personal information, the study employed a 2 (level of privacy concern: high vs. low)  $\times$  2 (level of brand trust: high vs. low) factorial design. A majority of the questions were measures in five-point Likert scale questions.

### **Results/Analytics**

The influence of brand trust, privacy concern and benefits have all shown significant influence on the results of the study throughout all generations. Respondents belonging to four different generations participated in the survey and based off research, the results showed that Generation Z consumers are more likely to provide their personal information based on convenience and benefits. Of the participants 49% of answers were collected from Millennials, 34% from Generation X, 12% belong to Generation Z and 6% were Baby Boomers. An analysis of variance (ANOVA) showed that intention to provide personal information to receive personalized ads is different across different generations,  $F(5,173) = 3.73, p = .003$ . Specifically, Generation Z shows the highest mean score ( $M=3.70, SD=.82$ ), suggesting the growing cohort is more likely to provide personal information for a convenience of personalized ads than other generations. In general, both concerns about security on the Internet ( $M=3.71, SD=1.00$ ) and about online transaction ( $M=3.76, SD=1.00$ ) are moderately high. But concerning privacy, participants showed little concern for their personal information. "A little" concern was the majority answer for all the generations except for Millennials, where they show no significant difference among a little, somewhat and very concerned leveled options. Regarding privacy concern, a t-test showed that there was no significant difference between those with high privacy concern and with low concern as to the intention to provide their personal information,  $t(100.44)$

= 0.09,  $p = .93$ . However, when asked if they are willing to share their personal information to the brand tested (i.e., OpenTable), the difference between those with high concern ( $M = 3.41$ ,  $SD = 1.10$ ) and with low concern ( $M = 2.94$ ,  $SD = 0.82$ ) was statistically significant,  $t(95.28) = -2.93$ ,  $p = .004$ . When consumers know how their information was going to be used, they are generally more inclined to provide their data.

Consumers are also more inclined to disclose demographic information when they know that information will only be used in aggregate form, meaning if the data is not on an individual basis. Consumers disclosed that the leading factor of refrainment of filling out online registration form were none because they were more than likely always share their personal information ( $M = 3.31$ ,  $SD = 0.126$ ). Other conditions that caused withholding of information were disclosing their name and email address. The factors that had the most influence on respondents privacy concern was the impression that the Internet is not safe therefore a third party can easily steal personal information and that participants do not know how their information is being used.

The influence of demographic trends found two covariates that had significant influence of the results of the study. A racial difference found that Asian participants ( $M = 3.49$ ,  $SD = .19$ ), are more likely provide personal information than other racial groups ( $F(4,174) = 2.96$ ,  $p = .02$ ). Other racial groups show no significant difference. A t-test showed that while the mean score shows that female participants are more likely to provide their personal information to receive personalized ads than male participants ( $M_{\text{male}} = 2.91$ ,  $SD = 1.19$ ;  $M_{\text{female}} = 3.14$ ,  $SD = 1.13$ ), the difference was statistically insignificant,  $t(140.29) = 1.27$ ,  $p = .206$ .

To compare the two groups (i.e., high vs. low brand trust groups), a media split was used at 2.5. The Analysis of Variance (ANOVA) confirmed that the high trust group shows significantly higher intention to provide personal information to the brand than the low trust

group,  $F(1,143) = 2.085$ ,  $p = .003$ . Brand trust has a direct positive relationship onto the intention of sharing private information. A large majority of respondents voted that the reputation of a brand was wither “extremely” or “very” important when making the decision to give them personal information. The influence of benefits for disclosing personal information ( $M= 2.95$ ,  $SD= 1.182$ ) serves as a positive determinant of privacy attitudes. While the influence is not significant, respondents answered that the more benefits a platform provides, the more likely they are to disclose their personal information.

### **Discussion and conclusion**

To address the research question, factors including the exchange of brand trust and privacy concern have a direct relationship with the intention to provide personal information online. While the effects of brand trust and the exchange of benefits and rewards have a positive relationship on the intention to share consumer data, privacy concern proved to show no significance on receiving personalized advertisements. However, after seeing the sample brand and its benefit, their intention was different, suggesting people with high privacy concern show more intention to share personal information for personalized services than people with low concern. The study found that there is no significant research to find a trend defining why users don't share information based on a higher or lower level of privacy concern. The more consumers benefit from the use of a service, they become more likely to disclose their personal information. This study adopted the notions of the Calculus Theory measuring privacy concern and brand trust change people's decision on the benefit and risk of disclosing their personal information over the Internet. While the findings support the majority of the hypothesis, the research found that more factors lead behind the decision for online information exchange.

Reaping intangible benefits such as innovation, exclusiveness, positive reflection are small contributors that serve as deciding factors to consumers in their exchange with online services. It implies that young mobile users generally care less about the risk associated with their information but care more about benefits they can experience (Chang and Heo, 2014). Image is everything for younger consumers therefore if a brand is perceived to be exclusive or represents their customers in a positive and trendy way. Millennials and Generation Z consumers are more likely to disclose their information to a brand that would contribute to their individual image and personal gain. A study conducted by agency Moosylvania documents how millennials favor brands they view as part of their own identity. For example, if wearing a clothing brand helps reinforce the individual's image with friends or patronizing the brand shows support for charitable causes (e.g. TOMS shoes), brand resonance can result (Hoffman, 2014).

Brand trust is a key influencer toward the intention of disclosing information and has shown to be more important than the other two factors in the study. The main threats to brand trust are the spread of fake news over the Internet, the increasing number of brands that contain personal information in their databases, and the pace of innovation (Edelman, 2019). According to the study, brand trust has the most effect on Millennial and Generation Z consumers. While Millennials have the highest amount of inherent trust in brands it is still very important to those to know that their information will be safeguarded.

Based on generational trends, evidence has shown that attitudes between different generations have not shown significant differences. Baby boomers are not as concerns as marketers them to be; majority of respondents from the Baby Boomer generation rated that they had little privacy concerns. Since consumers of the Baby Boomer generation have not grown up with the rise of technology, they have seen the direct effects of technology taking over society.

While this generation generally harbors negative views to personalized advertisements, they are not against sharing their information over the Internet. To further the study, Generation Z consumers reported to have the most willingness to disclose their personal information. It is my recommendation that marketers and platform should offer benefits in exchange for consumer information when targeting these specific consumers. College campuses are hubs for Generation Z students and offers such as “download our app and we’ll pay for your lunch” will be most beneficial to those in search of consumer information.

In summary, the hypothesis raised in the research question proved to be right and the effects of willingness, brand trust and benefits all show significant influence on consumers attitudes to disclose their personal information. While different generations have their own tendencies, it is best summed up in an “it depends” attitude. American consumers do not show insurmountable trends amongst privacy concerns that lead to significant findings. “Their answers depend on circumstances of the offer, their trust in those collecting and storing the data, and their sense of what the aftermath of what data-sharing might look like” (Raine and Duggan, 2016). Furthermore, the survey results revealed that when marketers are seeking consumer information, they must tailor it to best fit the most general trends of consumers according to their generation. It is recommended for excluding personalized advertisements on websites will not warrant an effective online exchange for Baby Boomers. Scammers and hackers are a top-of-mind concern for all consumers, no matter the age so marketers should be sure to build high brand trust among all consumers. A statement of how personal data will be used will lead consumers to disclose their information. Finally, offering rewards and benefits for consumer information will lead to moving results in information.

## Works Cited

Bachman, Katy (2013), "Targeted Advertising is Not the Bogeyman," Adweek.

<http://www.adweek.com/news/technology/poll-targeted-advertising-not-bogeyman-updated-148649>

Chaudhuri, Arjun and Morris B Holbrook. 2001. "The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty." *Journal of Marketing* 65(2), 81-93.

Debatin, Bernhard, Jennette P. Lovejoy, Ann-Kathrin Horn, and Brittany N. Hughes (2009), "Facebook and Online Privacy: Attitudes, Behaviors, and Unintended Consequences," *Journal of Computer-Mediated Communication*, 15 (1), 83-108.

Edelman (2019). 2019 Edelman Trust Barometer. Retrieved April 14, 2020 from:

<https://www.edelman.com/research/2019-edelman-trust-barometer>

Fleming, J., and A. Adkins (2016). "Data Security: Not a Big Concern for Millennials." *Gallup Business Journal*. <https://news.gallup.com/businessjournal/192401/data-security-not-big-concern-millennials.aspx>

GfK. (2017, January). "Willingness to Share Personal Data in Exchange for Benefits or Rewards: Global GfK Survey." Retrieved January 8, 2018, from:

[https://www.gfk.com/fileadmin/user\\_upload/country\\_one\\_pager/NL/images/Global-GfK\\_onderzoek\\_-\\_delen\\_van\\_persoonlijke\\_data.pdf](https://www.gfk.com/fileadmin/user_upload/country_one_pager/NL/images/Global-GfK_onderzoek_-_delen_van_persoonlijke_data.pdf)

Heo, J., & Chang, C-W. (2018). Factors influencing intention to use location-based mobile advertising among young mobile user segments: A social exchange perspective. *International Journal of Mobile Communications*, 16(6), 607-623.

- Hoffman, M. (2014), Attention brands: This is how you get millennials to like you. Adweek, Retrieved January 10, 2018 from: <http://www.adweek.com/brand-marketing/attention-brands-how-you-get-millennials-you-160575/>
- Jeong, Y., Heo, J., & Jung, A. (2017). A paradox of personalized ads on social media: An empirical investigation of ad relevance and privacy concern. *the annual convention of the Association for Education in Journalism and Mass Communication*, Dallas, TX.
- KPMG International. (2017). "Crossing the Line: Staying on the Right Side of Consumer Privacy." Retrieved January 8, 2018, from: <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2016/11/crossing-the-line.pdf>.
- L. Rainie and M. Duggan (2016). "Privacy and Information Sharing." Retrieved January 8, 2018, from the Pew Research Center website: [http://www.pewinternet.org/files/2016/01/PI\\_2016.01.14\\_Privacy-and-Info-Sharing\\_FINAL.pdf](http://www.pewinternet.org/files/2016/01/PI_2016.01.14_Privacy-and-Info-Sharing_FINAL.pdf)
- McDonald, S. C. (2018) What DO We Really Know about Attitudes Toward Privacy and Advertisement Avoidance? *Journal of Advertising Research*, 58(1), 75-76. <https://doi.org.libezp.lib.lsu.edu/10.2501/JAR-2018-010>
- Phelps, Joseph, Giles D'Souza, and Glen Nowak (2001) "Antecedents and Consequences of Consumer Privacy Concerns: An Empirical Investigation," *Journal of Interactive Marketing*, 15(4), 2-17.
- Wortham, Jenna (May 5<sup>th</sup>, 2010), "Facebook Glitch Brings News Privacy Worries," *The New York Times*. <https://www.nytimes.com/2010/05/06/technology/internet/06facebook.html>