

# Study: Consumers, Marketers Differ on Electronic Privacy

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A new study by researchers at the University of Massachusetts Amherst shows that consumers and marketers have different expectations for privacy boundaries when new technology is used, and consumers most often prefer an opt-in system for revealing personal information. The study was conducted by George Milne, associate professor of marketing at the Isenberg School of Management, and Shalini Bahl, founder of iAM Business Consulting. It was published in the *Journal of Public Policy and Marketing*.

This research is the first to directly compare consumer and marketer expectations for privacy boundaries that regulate access to consumer information, Milne says. Overall, when it comes to [privacy concerns](#) about personal information, “Consumers clearly wanted more restriction than the marketers wanted.” He also says many consumers don’t understand many of the tools used by marketers and other businesses and often are unaware of the amount of detailed information that is already being gathered about them and their buying and web-browsing habits.

The study looked at the use of eight new technologies: cookies, RFID, text messaging, pop-up ads, telemarketing, SPAM, [biometrics](#) and loyalty cards. The researchers asked marketing managers and consumers about their views on the use of these tools. Consumers were broken down into three distinct groups, those who were very permissive regarding privacy, those who wanted some level of control and those who wanted to restrict access, he says.

He says when permission-based privacy boundaries were available, a much higher percentage of consumers chose an opt-in method than marketers. This may be because the opt-in process allows [consumers](#) a choice, rather than letting marketers choose what is useful to them. The other choices were notification or an opt-out provision.

Milne says this study only covers a portion of the technologies that can and do gather information about people. New tools such as GPS tracking in cell phones or the increasing use of surveillance cameras add to the mix, he says.

The gap in privacy expectations is occurring at a time when new technological advances for gathering information are outstripping consumer understanding, making privacy protection increasingly difficult, Milne says. Milne also says the issue of [privacy](#) management is important because businesses and marketers who violate consumer trust with what are perceived to be intrusive or dishonest practices can quickly lose customers. The study also suggests there may be areas where greater regulation is required to prevent the most intrusive practices.

Provided by University of Massachusetts Amherst

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