

# Building consumer trust critical to online marketing success, researchers find

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(PhysOrg.com) -- With identity fraud and the increasingly open Internet growing, consumers seem less likely to give out personal information online. For e-commerce and online marketers, this is a roadblock to the customer service and market research on which they thrive.

So what makes [consumers](#) more willing to give out their personal information? A paper just published in the Journal of Service Research by professors at The University of Alabama, Troy University and Loyola Marymount examined the factors that affect a consumer's willingness to reveal basic and sensitive personal information online.

The researchers found four basic factors that individually, or in combination, affect the likelihood that consumers will divulge personal information. Specifically, their study suggests that (a) sensitive information is riskier to divulge and therefore less likely to be disclosed, (b) giving consumers control over how their information will be used by the firm can increase disclosure, particularly if that information is sensitive in nature, (c) customizing the web experience to provide enhanced web benefits can increase disclosure particularly if the firm also enhances consumer control and lowers consumer [privacy concerns](#) specific to their website, and (d) web strategies that lower privacy concerns can increase disclosure particularly when the requested information is sensitive.

“While the acquisition of sensitive information is often the goal of online marketers, our research suggests that control, customization and

trust-building activities to reduce privacy concerns are critical to convincing consumers that it is in their best interest to divulge such information,” said Dr. David Mothersbaugh, professor of marketing at the Culverhouse College of Commerce at The University of Alabama and one of the authors of the study.

“Given consumers’ reluctance to provide sensitive information, firms should be vigilant in obtaining the least amount of [sensitive information](#) possible, while still effectively marketing to their customers,” said Dr. Sharon Beatty, professor of marketing at Culverhouse and another author of paper. “They also should note the importance of building trust in their firm, as well as providing consumers control to the use of the information, before attempting to obtain this information.”

Some firms are already changing their websites to conform to what the research has found. Google recently changed its privacy policy to emphasize both a consumer’s control over the personal information they share, as well as the perceived benefits of Google using such information.

A section called “privacy tools” gives consumers, according to Google, “meaningful choices to protect your privacy” through features like encrypted searches, incognito mode in Chrome, off-the-record chatting, and general personalization opt outs. As Google states on the website, “our new policy simply makes it clear that we use data to refine and improve your experience” by getting consumers “better search results, ads and other content” (google.com).

This is, or should be, the goal of any website, the researchers said.

“New privacy policies and features to help users control [personal information](#) will help make such goals transparent and, in theory, easier to achieve,” said Dr. Katherine Lemon, Accenture Professor at Boston

College and editor of the journal. “More firms can follow Google’s lead to redesign their websites and privacy policies so they can encourage customers to willingly disclose additional information.”

In recognizing the burdens of disclosure and the difficulty of overcoming consumer concerns, firms should consider, the researchers said, matching their information requests to the specific needs at hand.

“A one-size-fits-all strategy to information gathering is not appropriate,” Mothersbaugh said. “Firms must consider both their information needs and the privacy concerns of their various consumer segments and request the least sensitive [information](#) possible for effectively marketing to each of those segments.”

Additionally, according to the article, firms can mitigate customer privacy concerns if they improve their website perceptions through factors that increase consumer trust, such as obtaining privacy seals and strengthening corporate reputation. By tweaking websites to increase consumer trust and control, and by making the benefits of customization salient, online marketers can more easily gather essential consumer data.

**More information:** A copy of the article, “Disclosure Antecedents in an Online Service Context: The Role of Sensitivity of Information,” by Mothersbaugh, William Foxx II, Beatty and Sijun Wang, can be viewed at the *Journal of Service Research* website: [jsr.sagepub.com/content/early/recent](http://jsr.sagepub.com/content/early/recent) .

Provided by University of Alabama

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