

Study says Americans give up personal data for discounts, believing marketers will get it anyway

June 8 2015, by Jacquie Posey

Marketers have said for years that Americans give up their data online, on apps and in stores because of the benefits they receive, such as discounts or special offers. But a new national survey from the University of Pennsylvania's Annenberg School for Communication rebuts this claim and offers a new explanation: resignation.

It finds that most Americans disclose their personal data to companies for [discounts](#) because they believe that marketers will harvest the data anyway.

"Resignation occurs when a person believes an undesirable outcome is inevitable and feels powerless to stop it," said Joseph Turow, professor of communication and lead author of the study.

The survey found that more than half of Americans say they do not want to lose control over their information but also believe this loss of control has already happened. Turow argues that marketers misrepresent Americans' behaviors by categorizing their acceptance of company discounts in exchange for [personal data](#) as rational acceptance of "tradeoffs."

The report, "The Tradeoff Fallacy: How Marketers Are Misrepresenting American Consumers and Opening Them Up to Exploitation," also found that Americans' willingness to provide personal information to

marketers can't be explained by the public's poor knowledge of the ins and outs of digital commerce.

Turow co-authored the study with Michael Hennessy, project manager and statistician in the Health Communication Group of Penn's Annenberg Public Policy Center, and Nora Draper, an assistant professor in the communication department at the University of New Hampshire.

With the assistance of Princeton Survey Research Associates International, the researchers conducted a representative national phone survey of approximately 1,500 Americans age 18 and older who use the Internet or email "at least occasionally."

Survey respondents were asked whether they would accept "tradeoffs," such as discounts, in exchange for allowing their supermarkets to collect information about their grocery purchases. Among the key findings:

- 91 percent disagree (77 percent of them strongly) that "if companies give me a discount, it is a fair exchange for them to collect information about me without my knowing."
- 71 percent disagree (53 percent of them strongly) that "it's fair for an online or physical store to monitor what I'm doing online when I'm there, in exchange for letting me use the store's wireless Internet, or Wi-Fi, without charge."
- 55 percent disagree (38 percent of them strongly) that "it's okay if a store where I shop uses information it has about me to create a picture of me that improves the services they provide for me."

Only about 4 percent agree or agree strongly with all three propositions.

But 58 percent agreed with both of the following two statements that together indicate resignation: "I want to have control over what marketers know about me online" and "I've come to accept that I have

little control over what marketers can learn about me online."

The survey found that people who know more about ways marketers can use their personal information are more likely rather than less likely to accept discounts in exchange for data when presented with a real-life scenario.

"Resigned individuals may behave in ways that allow marketers to claim they are unconcerned or accept the economic logic that insists people trade their data for benefits," Turow said. "But we found that most Americans reject this logic. In fact, our findings match more than a little anecdotal evidence that people feel they cannot do anything to seriously manage their [personal information](#) the way they want. Moreover, they feel they would face significant social and economic penalties if they were to opt out of all the services of a modern economy that rely on an exchange of content for data. So they have slid into resignation."

The study concludes that by championing the "tradeoff" argument, marketers give policymakers false justifications for allowing the collection and use of all kinds of consumer data often in ways that the public finds objectionable.

More information: The study is available online:
[www.asc.upenn.edu/sites/default ... radeoffFallacy_1.pdf](http://www.asc.upenn.edu/sites/default/files/radeoffFallacy_1.pdf)

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