

# Chapter 19

## Consumer Online Behavior, Data Sharing, and Ethics

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### ABSTRACT

*This chapter reports the results of a survey that examines how a sampling of millennials describes their online activity, their social engagement, and their priorities when they are asked to value their online activity. It also explores whether there are tenets of a specific ethical perspective that shape their thinking about what is moral behavior online. Results indicate that the online behavior of the study participants involves extensive use of social media with a variety of platforms employed. Degree of engagement is not dependent on whether the individual is introvert or extrovert. Their online priority focuses first on a concern for their privacy, followed by their appreciation for time saving technology and opportunities for money savings and promotions. No single ethical theory dominates their expressed moral values, though there is a clear pattern that is consistent with consequentialism.*

### INTRODUCTION

This chapter examines consumer online behavior and the ethical perspectives that may underlie their values and inform their actions. This information is especially relevant for organizations today since issues with data sharing, data usage, and data privacy have recently received so much attention in the press. In some instances, new legislative actions now define how organizations must manage information captured and stored from their interactions with consumers online. However, here it is argued that there is a larger social issue involved: organizations need to not only respect customer data, but also to appreciate how consumers engage online (their data footprint) and the values that inform their behavior. This would seem fundamental in helping organizations to manage risk by maintaining an effective relationship with their stakeholders.

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## **BACKGROUND**

Consumer data is a major component of Big Data. Big Data is a term that describes the structured and unstructured data that inundates business on a day-to-day basis. Big Data has been described as encompassing a number of dimensions, including volume, variety, velocity, veracity, variability, and complexity (SAS, 2019). Improvements to the telecommunications infrastructure combined with the rapid deployment of high-speed wireless technologies worldwide have enabled greater bandwidth for transferring an assortment of data types data that can quickly be shared globally. For instance, every minute Facebook users send roughly 31.25 messages and watch 2.77 million videos (New Generation Applications, 2018).

The Big Data that is generated online has become essential to organizations. It provides the critical raw material that is scrutinized via analytics to generate the business intelligence that will inform decision-making activities. IBM (2019) notes that this Big Data comes from organizational internal data sources and their external data sources. Internal data sources include transactions, log data, and emails. External data sources include social media, audio, and photos and video. IBM states that 43% of external data comes from social media alone and this information can be used to gain information about and insights into consumer behavior.

When examining the contribution of social media on Big Data, Statistica (2019) reports that in 2017, 81 percent of the population in the United States had a social networking profile, representing a three percent growth compared to the previous year. They also comment that, according to estimates, the number of worldwide social media users is expected to grow to almost 3 billion by 2021.

Globalwebindex (2018) reports that 98% of digital consumers are social media users and that they spend an average of 2 hours and 22 minutes per day on social media and messaging. Their research indicates that 22 percent of online consumers like or follow a brand on a social network and that more than 4 in 10 use social networks to research new brands or products. They also find that people have an average of 8.5 social media accounts, using each platform for different purposes.

A Pew Research Center (February 5, 2018) survey of social media usage by U.S. adults found that Facebook dominates the social media landscape with 68% using it. However, when Pew Research examined the behavior of younger adults 18-24-years of age, they found that they differ from the overall trend in social media consumption. They report that 78% of this younger population are substantially more likely to use platforms such as Snapchat, Instagram, and Twitter than the other age groups. These findings may help explain why Edison Research (2018), who has been tracking Facebook usage since 2008, found that in 2018, the portion of Americans reporting that they currently ever use Facebook declined for the first time. Their data revealed that among 12- to 34-year-olds, Facebook usage declined 15 percent in one year.

The widespread use of social media is not without consequence for consumers. Social media companies have demonstrated a long-term pattern of sharing user data with or without consumers being aware of it. When they are aware of it, Maheshwari (2018) reports that they give up personal information due to a sense of futility, since they do not know what to do about it. Moreover, he says, most consumers will also give up their data for relevant ads on their social media sites hosts, not because of convenience, but due to a resignation that they are powerless.

Data is the currency that makes free or near-free services possible. As Johnson (2018) notes, the only reason Skype, Facebook, or any online service is free is due to data. Most consumers understand this conceptually, though not always specifically. Furthermore, consumers may be willing to accept the tradeoff between a value-added service and disclosure of information about them in a classic quid-pro-

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