

# Chapter 16

## An Empirical Investigation to Improve Information Sharing in Online Settings: A Multi-Target Comparison

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### ABSTRACT

*Internet merchants are compelled to collect personal information from customers in order to exploit ICT development potential in managing the relationships with them. However, lack of control on data provided and unethical behaviors that emerged in several scandals has led to many potential customers demonstrating growing concerns about disclosing personal information to companies. This chapter analyzes the interaction between two strategies that firms can use to alter potential customers' cost/benefit evaluation and increase information disclosure: the development of initial trust and compensation. The derived hypotheses are tested by means of three experimental studies, whose findings are compared across two different consumer target groups that potentially show different behaviors regarding digital technologies: students vs. working people.*

### INTRODUCTION

The progressive development of ITC has determined the exponential growth of new services and technologies. In a general perspective, the goal of new technologies is to improve the quality of life of the people. If this has led, on the one hand, to unquestionable advantages in terms of simplification and rapid retrieval and exchange of information, on the other, it has caused a huge increase in the number

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and types of personal data transmitted and exchanged, as well as the associated dangers their unlawful use by unauthorized third parties. In the current technological era the personal characteristics of an individual can be safely split off and merged into different databases, each of them characterized by a specific purpose. The so-called “*electronic person*” can be easily reconstructed on this assumption and it corresponds to our digital identity, through the many traces we leave in the digital environment that records and collects information about everybody.

The increase in connectivity and the growth of user-friendly applications and accessibility from all devices have favored the communication and content delivery and the use of new platforms that allow the exchange of information, goods and services, but have also more strongly highlighted the issues related to privacy, security and traceability of user data. In the last years, also following the scandals and news stories that involved giants of the digital economy like Google and Facebook, the public debate has become more heated.

The need to ensure a strong protection of people’s rights and freedoms has been more widespread, with particular reference to the personal identity and private life of individuals. Starting in 2018, the application of the European Union Regulation 2016/679, known as GDPR (General Data Protection Regulation) - related to the protection of individuals with regards to the processing and free circulation of personal data - marks an important step and underlines the importance of the topic. With the RGPD, the protection of private data is significantly strengthened, but the debate that emerged following the introduction of the legislation has also increased citizens’ concern about the collection of their data by companies and their consequences for their privacy. This is because the GDPR is not a guideline for member states, which would imply that each state should have applied it internally with a lengthening of the entry into force. It is instead a regulation by which the laws are immediately and unitarily binding for all the States of the Union, and therefore also for the small and medium enterprises that operate within them, and this proves the urgency in the view of the EU regulator to change companies’ behavior on privacy management.

On one side customers are more and more reluctant to share their data, on the other side firms need their data to increase the value creation of their offer with personalization and to push them using self-service technologies, such as the web, as they lead to cost savings. Retailers will miss several opportunities linked to the web unless they find a way to increase customers’ information sharing.

Companies and public institutions currently face an information privacy dilemma in terms of (1) protecting individual information privacy, but also (2) collecting useful data to improve their offering and value (Sarathy and Robertson, 2003) and improve their relationship with them (Musso & Druica, 2014).

This chapter’s objective is to help companies achieve this by providing recommendations derived from the results of previous studies based on self-disclosure theories (Premazzi, et al., 2010a; Premazzi, et al. 2010b; Castaldo & Grosso, 2014). We specifically examine the effects that initial trust and compensation – two relevant antecedents of sharing information with (unknown) e-vendors – have on two different customer segments as revealed in an experimental research project.

## **BACKGROUND**

Information privacy can be defined as the “individual’s ability to control when, how, and to what extent his or her personal information is communicated to others” (Son & Kim, 2008, p. 504). Information privacy concerns refer “to the individual’s subjective views of fairness within the context of informa-

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