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# The Dark Side of Personalization

Online Privacy Concerns influence  
Customer Behavior



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**Purpose** – This study establishes a link between different types of data collection, data usage and concerns for information privacy. It also analyses the impact of privacy concerns on value, risk and usability perception of personalization and the users' willingness to transact with the website.

**Design / methodology / approach** – This study develops a conceptual framework and tests it by collecting responses to a questionnaire from an online-crowdsourcing sample of Amazon Mechanical Turk.

**Findings** – The study reveals that both - open data collection as well as an unauthorized secondary use - increase concerns about information privacy. In the following, these concerns influence value and risks people perceive when confronted with personalization and also influence their perception of usability of the applied personalization method. Finally, the users' willingness to transact depends on a risk-value analysis when personalization is deployed.

**Practical implications** – The results of this study stress the importance of concerns reducing techniques marketers. The findings show that data collection and data use influence concerns for information privacy and its consequences. Reducing these concerns can be a meaningful way to improve value, risks and usability of personalization and, ultimately, customers' willingness to transact.

**Research limitations / implications** – The study focuses on a crowdsourcing sample from the United States. Future research may investigate the (international) generalizability of the findings. Moreover, future research could address, whether the findings differ when actual behavior is measured, instead of willingness to transact.

**Originality / value** – This is the first study to empirically examine the effects of different data collection and data use types on concerns for information privacy, perceptions of risk, value and usefulness of online personalization, and users' willingness to transact.

**Paper type** – Research paper.

**Keywords** – Personalization, privacy concerns, online data collection, unauthorized secondary use, willingness to share information



“The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized”

**Amendment IV, U.S. Bill of Rights (1791)**

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## List of Abbreviations

CFIP	Concerns for Information Privacy
ed.	Editor or Editors
et al.	et alii / et aliae / et alia
e.g.	Example given
U.S.	United States