A power–responsibility equilibrium framework for fairness: Understanding consumers' implicit privacy concerns for location-based services☆

Anjala S. Krishen a,⁎, Robyn L. Raschke b, Angeline G. Close c, Pushkin Kachroo d

a University of Nevada, Las Vegas, Department of Marketing and International Business, 4505 Maryland Parkway, Las Vegas, NV 89154, United States
b University of Nevada, Las Vegas, Department of Accounting, United States
c University of Texas at Austin, Stan Richards School of Advertising & Public Relations, United States
d University of Nevada, Las Vegas, Department of Electrical and Computer Engineering, United States

1. Introduction

Imagine receiving a text or mobile alert from a government agency or contractor, such as an Amber alert or an emergency highway closure, because of your physical location or, more accurately, the location of your cell phone. Location-based services are technologies that involve data, such as navigation, tracking, and information services (Beinat, 2001). In general, these services and applications are a financial stronghold in the mobile commerce revolution. In 2014, location-based services generated approximately $12.2 billion in worldwide revenue according to a white paper by Jupiter Research (Parker, 2014). The white paper projects that the revenue from these services will be $75 billion (Statista, 2016). This is a substantial spike in the market and indicates that marketing needs research with a basis in theory to help the industry understand the consumers’ perspective on any policy that affects location-based services.

The power differential between governments and consumers is an important context to study because of the prevalence of government-initiated policy. The recent research examines the effects of government privacy policies on consumers’ concerns and behaviors toward risk (Miltgen & Smith, 2015). However, the literature has yet to address the effects, if any, of understanding the saliency of these issues in relation to specific non-privacy policies. For example, many states use automatic toll payments for bridges and roads to reduce traffic congestion (IBTTA, 2015) as well as 311 apps for non-urgent citizen concerns (Adler, 2016). The government policies related to these examples are not specific to privacy per se, but rather are specific location-based services in the form of automatic payments and communications.

Governments or businesses are power holders, especially when they hold customers’ information, such as their location (Lwin, Wirtz, & Williams, 2007). Consumers must feel comfortable with how mobile providers use the location information that they generate. Before businesses or government organizations adopt a platform that uses the intended recipient’s physical location, they must understand the consumers’ perspectives on privacy and fairness.

Location-based services offer benefits to the consumer, such as targeted, relevant, and timely advertisements (Schumann, von Wangenheim, & Groene, 2014); however, disclosure of a consumer’s location involves privacy concerns (Abbas, Michael, & Michael, 2014). Since the consumer is a moving target that receives specific messages because of his or her location, privacy issues continue to escalate. A consumer’s response to mobile marketing and geographic targeting is relatively new territory for marketing scholars; most of the attention
on this topic focuses on firms who use mobile marketing initiatives. Given the importance of consumers' privacy concerns, a need exists to address marketing questions relating to privacy and how to effectively communicate and enhance privacy practices. Specifically, governmental organizations must understand how to communicate privacy practices with an appropriate balance so that concerns about information privacy achieve prominence.

Because of the proliferation of location-based services, firms, organizations, and governments must understand these privacy concerns because they can inhibit the adoption of mobile marketing (Kuittinen, 2013). This study examines the perceptions of fairness in the policies around location-based services using the lens of the power-responsibility equilibrium.

This research uses a mixed method approach with two studies to better understand the privacy concerns of consumers as they relate specifically to the policies for vehicle miles traveled (VMT). Responding to calls from scholars such as Harrison (2013) and following the approach in the recent research (e.g., Cruz-Cardenas, Gonzalez, & Nunez, 2016; Krishen, Agarwal, & Kachroo, 2016), this sequential mixed approach allows researchers to confirm and discover ideas that use alternative methods (Woodside, 2010). Also known as the "third wave" of research or Pragmatism, a mixed method allows for both the inductive discovery of patterns combined with the deductive testing of theory (Johnson & Onwuegbuzie, 2004). Combining multiple methods also introduces several benefits, such as stronger results, a broader approach to research questions, and a more holistic phenomenological understanding of a topic (Davis, Golicic, & Boerstler, 2011). Study 1 provides an exploratory, qualitative, and netnographic content analysis that identifies important themes with respect to privacy and fairness. The study uses these themes to conduct a literature review and to identify a theoretical model to test the quantitative hypotheses. Study 2 tests this model by using a covariance-based structural equation.

2. Qualitative Study 1 and theoretical framework for power-responsibility equilibrium and privacy

2.1. Sampling

The National Surface Transportation Infrastructure Financing Commission (NSTIFC) recommends the VMT as a possible solution to meet infrastructure needs in the United States (NSTIFC, 2009). A VMT program charges a fee for each mile a motorist drives. This program replaces the current indirect method of paying taxes through fuel consumption. That system no longer is sufficient to cover the increasing infrastructure expenses, which creates a budget gap. Another cause of infrastructure expenses, which creates a budget gap. Another cause of is isolation. As such, exclusion encompasses the idea of either a voluntary or an involuntary separation from society, which might be from social nonconformity. From this feature, the study concludes that definite differences exist among consumers who have a high need for privacy versus a low need for exclusion. Given those differences, the results of Study 1 indicate that a consumer's concern for privacy should be a predominant construct in Study 2.

The communication feature entails social interactions of any nature, whether they are in person or through electronic means. Accordingly, the study links this semantic feature to privacy because the research argues that higher communication from an organization leads to a consumer's higher willingness to disclose information. In fact, this study indicates that communicative consumers are likely to have a more pronounced attitude toward marketing communications; therefore, their attitude should be more likely to contribute to their subsequent behaviors. Cognition and satisfaction both form the ideas.
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات