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Published

2019

Conference Title

Australian and New Zealand Marketing Academy Conference (ANZMAC 2019)

Version

Version of Record (VoR)

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Role of culture in defining privacy paradox

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Abstract:

This paper investigates the concept of privacy paradox and the ensuing dilemma of personal information disclosure in the context of online services and e-commerce. The individual privacy concerns are analysed through the lenses of culture and personal values to determine the impact of personality on disclosure decisions, including national culture. This paper explores the relationship between privacy, personal values and culture to understand how people engage in online disclosure decisions. The study also examines why people demonstrate contrasting ideologies pertinent to the interpretation of privacy. Thirty in-depth interviews were conducted with respondents of 15 countries on grounded theory methodology. The findings included recognising two contrasting personality types in addressing privacy paradox and an innovative doctrine pertinent to national culture, forming a new paradigm as Asia index. Also, the study was able to provide an extension to Hofstede national culture framework by including confidentiality as a new dimension.

Key words: privacy paradox, culture, online disclosure

Introduction and Research Aim

Privacy paradox demonstrates the dilemma faced by customers in disclosing personal information online (Kokolakis, 2017). Online privacy infuses a significant impact on consumer behaviour, as personal security is vital for effective engagement with e-commerce (Park, Yap & Makkar, 2019). A firm needs to address the privacy concerns of the customers considering online disclosure due to increased risk of data breach and manipulation (Tao et al., 2019). Culture and personal values can be recognised as an essential archetype which influences the online behaviour and decisions of customers (Bi, 2019). Therefore, analysing how individuals in different countries and cultures respond to privacy will provide greater insight to researchers in understanding the matters concerning the online environment (Martin & Murphy, 2017).

Why is this doctrine of privacy paradox exist? We emphasise on investigating the rationale for the dilemma between customer expectation and the actual behaviour pertinent to disclosing personal information online. In addition, the study explores the influence of culture and personal values on individual concerns for online privacy. However, in spite of past and present studies on the concept of privacy many scholars admit to being unable to agree upon a commonly accepted definition (Stamolampros et al., 2019; Wu, 2019). Moreover, the matter of managing online privacy and customer cognition pertinent to the level of information disclosure is largely open for research (Acquisti, Brandimarte, & Loewenstein, 2018; Adorjan, & Ricciardelli, 2019; Barth et al., 2019). Therefore, considering the gaps mentioned above in the literature and addressing the call of many scholars, this study focuses on examining privacy paradox with a broader magnitude, including culture and personal values.

The aim of this study is:

To identify the facets leading to the creation of privacy paradox with specific emphasise on culture and personal values pertinent to information disclosure online.

Three research questions are addressed in line with this aim:

RQ1: How does the privacy paradox influence information disclosure online?

RQ2: What is the influence of culture on shaping individual concern for privacy?

RQ3: What is the impact of personal values on information disclosure decisions?

Methodology

This research applies qualitative technique considering the exploratory nature of the research questions. In line with this thinking, grounded theory methodology is used as this technique encompasses a foundation for generalising complex problems through an effective data analysis advocating a logical solution (Bryant & Charmaz, 2019; Glaser & Strauss, 1967). The concept of privacy originated through the social context where the behaviour of a person is infiltrated with an intricate social paradigm shaping the personal attitude towards privacy (McNealy & Mullis, 2019). This study considers online banking as the premise for exploring the relationship between culture and privacy and conducted 30 in-depth interviews with respondents covering 15 countries (14 Australians and 16 Asians representing 12 countries). A data flow diagram was developed after each interview on a separate sheet to identify the key variables, issues and themes. The coding was carried out through a line by line analysis of the data identifying and labelling key themes. The data was analysed using the approach recommended by Charmaz (2014, 2017) where the process of open-coding, focused coding and axial coding was used to build categories and theoretical themes. Finally, two core themes of *privacy pragmatists* and *privacy unconcerned* emerged based on the difference in attitude and the nationality of the respondents manifesting the path for a new doctrine which we present as the concept of *confidentiality*, a new dimension extending the national culture framework of Hofstede (2011).

Results, Discussion and Contributions

Results and discussion of this study are in line with the two core themes of personal privacy and with the ideas of Fang (2010) in extending the national culture. Firstly, the respondents demonstrated a similar philosophy to the consumer classification introduced by Westin (1991, 2003) where Australian respondents indicating a behaviour in line with the thinking of privacy unconcerned and Asian respondents with an ideology similar to privacy pragmatists. The Asian respondents demonstrated the characteristics of privacy pragmatists as they always analysed the impact of information disclosure on the premise of rationality with a comparison of relative cost and benefit (Barth et al., 2019). In contrast, the Australian respondents indicated an impersonal attitude towards privacy similar to privacy unconcerned category where they believed that disclosure of personal information is part of the system and any repercussion will be addressed by the relevant authority in concern. (Jensen, Potts, & Jensen, 2005).

Secondly, the findings are consistent with 4 of the 6 dimensions pertinent to the national culture framework of Hofstede (2011) and the index scores assigned to each country (Hofstede Insights, 2019). Thus, Australia reflects very high polarisation and contrasting index scores compared with the individual 12 Asian countries. The 12 individual countries indicated similar index scores on the four dimensions with exact contrasting scores to Australia. Hence, facilitating with the grounded theory principles on originality we created a new category, “Asia” by combining the individual index scores of the 12 countries to arrive at an average score to provide a uniform index for Asia to compare with Australia (Table 1).

Finally, it is evident that the individual attitude towards privacy can be defined with the inclusion of the concept of *confidentiality* in differentiating national culture based on the impact of information disclosure and privacy paradox. Australia indicates privacy unconcerned ideology in contrast to the Asian thinking, which reflects the characteristics of privacy pragmatists. Therefore, this study assigns a low score for Australia and a high score for Asia, considering the proposed *confidentiality* dimension based on the attitude of the respondents.

Table 1 – National culture comparison between Australia and Asia

Country	Power distance	Individualism	Long-term orientation	Indulgence	Confidentiality
Australia	36	90	21	71	Low
Asia	71	26	62	29	High

Implications for Theory and Practice

This research contributes to theory by (1) introducing a new classification for privacy based on national culture inculcating attitude towards privacy with personal values, (2) attributing consistency to the present theory on the practice of national culture by establishing a common theme for Asian culture and (3) proposing an extension to the Hofstede framework by introducing the 7th dimension of *confidentiality* which denotes the contrasting behaviour of privacy unconcerned and privacy pragmatists through the lenses of national culture on privacy.

There are three areas of managerial implications that contribute to practice: (1) firms can design flexible guidelines for online information disclosure recognising the privacy concerns of individual customers, (2) develop systems accommodating the national culture and inherited values of customers irrespective of the culture of the country of residence and local conditions to enhance customer satisfaction and (3) enhance the knowledge of customer service staff on profiling customers through the lens of *confidentiality* and consider national culture and attitude towards privacy as key elements in managing inquiries to ensure service excellence.

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