

„Privacy Property and Personal Information Markets“

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**Hypothesis:
Even if privacy is an inalienable human
right it would be good if people were
enabled to manage their personal data
as private property.**

Why we believe that it may be good to consider personal data as private property?

- **The current information market situation is ‚sucks‘.**
 - Personal data has become a commodity.
 - People don't know about it. They are not at the negotiations table.
 - Companies won't tell and lobby to defend their business models.
 - The market is working at the edge of what is legally feasible.

Alternatives?

Why we believe that it may be good to consider personal data as private property?

- **Our experiments suggest that property rights may be beneficial for personal data markets.**
 - When people learn that there is a market for their personal data, they value their information much more.
 - People build a psychology of ownership for their personal data.
 - Psychology of ownership is more important in driving data value perceptions than privacy concerns are.
 - Property rights are likely to foster a psychology of ownership: Our data shows that when Facebook ‚shares‘ the ownership of data with its users, psychology of ownership is maximized.

Property rights may solve the privacy paradox

We investigated personal information valuation with > 1500 Facebook users.

1553 Facebook users were asked to imagine that one day they would not be able to log into Facebook...



...and Mark Zuckerberg would announce the closure of the platform...ALL personal data would...

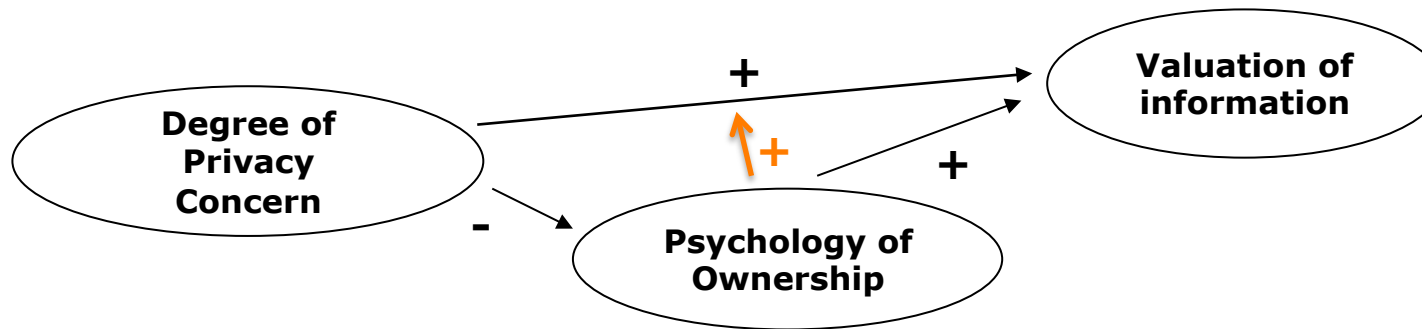
- 1. Manipulation:** ...be deleted, but people could bid to keep it
 - 2. Manipulation:** ...be sold, but people could bid to avoid the sale
 - 3. Manipulation:** ...be sold, but people could state a share in the money
- +/- Asset Consciousness**

When people learn that there is a market they want to participate in it!

	manipulation	€ WTP*	Sig.
<i>...€ WTP to save a copy</i>	(1) no asset consciousness prime	Mdn = 0 EUR M= 16,4 EUR SD =104,5EUR 63% = € 0	p.000
<i>...€ WTP to save a copy and keep a trustworthy company from buying</i>	(2) asset consciousness prime + control	Mdn = 5 EUR M=54,0 EUR SD = 167,5 EUR 40% = € 0	

*WTP = willingness to pay

Psychology of ownership is the most important driver of information valuation and strengthens privacy perceptions.



	B	SE	β	95% CI	B	SE	β	95% CI	B	SE	β	95% CI
	Step 1				Step 2				Step 3			
(Constant)	-,107	,040		-,185 -,028	-,117	,040		-,195 -,039	-,112	,036		-,182 -,042
control	,097	,059	,047	-,019 ,214	,129	,059	,062*	,014 ,245	,139	,053	,067**	,035 ,242
no control	,360	,070	,146***	,222 ,498	,354	,070	,144***	,218 ,491	,353	,062	,143***	,230 ,475
Privacy concerns					,154	,026	,153***	,102 ,206	,206	,024	,205***	,160 ,253
Ψ of ownership									,462	,025	,439***	,413 ,510
R ²			,018***				,042***				,232***	
ΔR ²							,023***				,190***	

Note. N= 1417 baseline group: no asset consciousness

*p<.05; **p<.01; ***p<.001.

Psychology of ownership is strongest when people believe that their personal data belongs to both: them AND Facebook.

Property beliefs of Facebook users	LOW - Psychology of Ownership	HIGH - Psychology of Ownership
Personal data belong only to Facebook	64%	36%
Personal data belong only to ME!	60%	40%
Personal data belong to both, Facebook and ME	26%	74%

When people learn that they have no control over data sharing they get angry.

	manipulation	€ WTP*	Sig.	Sig.
...€ WTP to save a copy	(1) no asset consciousness prime	Mdn = 0 EUR M= 16,4 EUR SD =104,5EUR	Kruskal – Wallis test p=.000	p=.028
...€ WTP to save a copy and keep a trustworthy company from buying	(2) asset consciousness prime + control	Mdn = 5 EUR M=54,0 EUR SD = 167,5 EUR		
...€ amount expected as a share if another company bought the profile	(3) asset consciousness prime – control	Mdn = 0 EUR M=507,8 EUR SD = <u>1335,0 EUR</u>		

*WTP = willingness to pay

When people learn that they can have a share in money being made of their data, but are not in control to consent or not, they get angry.

Content analysis of comments on the € amounts stated revealed whether there is **reactance** or not.



Example: *"I don't feel like accepting the dirty and unjustly earned money of strangers."*

% of this kind of comment in group **with control** over deals: **4%**

% of this kind of comment in group **without control** over deals: **12%**



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