

Three Findings Regarding Privacy Online

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ABSTRACT

The Internet now enables firms to collect detailed and potentially intrusive data about their customers both easily and cheaply. I discuss three empirical results related to customer privacy-protection that is enacted in response to this change.

1. Privacy protection that focuses on obtaining consent appears to lead to less effective advertising. This is based on results from extensive empirical analysis into how effectiveness of online advertising changed in response to the implementation of the E-Privacy Directive in Europe [2].
2. Privacy protection which gives direct control over customers' privacy appears to enhance economic outcomes. This is based on a detailed case study of customer responsiveness to different forms of advertising in the wake of a change in Facebook privacy policies [3].
3. Restricting the length of time that potentially private data is stored appears to have little economic impact. This is based on empirical analysis of aggregate search behavior following a change in the length of time search engines were told they could store search engine query data in Europe [1].

Categories and Subject Descriptors

H.4 [Information Systems Applications]: Miscellaneous

Keywords

Economics, Search, Privacy Online

1. REFERENCES

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*All mistakes are mine alone.