

CUSTOMER INFORMATION MANAGEMENT: CONTEMPORARY ISSUES OF PRIVACY AND TRUST

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ABSTRACT

Marketing evolution has shown that consumer information is vital for the profitability of modern organisations (Deighton, 1996; Graeff and Harmon, 2002, Acquisti, Brandimarte and Loewenstein, 2015). Through correct use of consumer information and the synthesis of big datasets, organisations are enabled to build customer loyalty while expanding their customer base through customised advertising, personalised products and individualised attention for customers (Bello-Orgaz et al. 2016; Dubey et al. 2016). Nevertheless, previous organisational practises revolved around the unconsented acquisition and use of customer information. The latter is an ethical matter currently tackled by data protection initiatives in the UK, Central Europe and the US (Midata and GDPR for UK and Central Europe; Cyber-Security Initiatives for US) in order to derive to sustainable solutions. Imperative to the process of sustainable development in regard to customer information management practises is the understanding of how customers perceive privacy as well as what factors can alleviate disclosure concerns through reciprocal information exchanges and the instilment of trust. Therefore, deeper understanding of how customer information is collected as well as how individuals perceive privacy that ultimately leads to engaging in or abstaining from information divulgence, is key.

When it comes to the ways consumer data can be collected, organisations are faced with two types of data, transactional data and non-transactional data. Even though non-transactional data is more difficult to be obtained, its use provides insightful information on lifestyle and psychographic characteristics of consumers. Through correct utilisation, this allows organisations to both satisfy the growing demand of consumers for more individualised attention by enhancing new product development processes while also informing existing product refinement procedures (Robertshaw and Marr, 2005).

Interestingly, part of the marketing literature specialises on the examination of the effectiveness of different methods of data-capture. Even though organisations can acquire customer information through interviews, questionnaires or even focus groups, online data-capturing surveys are considered to be one of the most efficient and effective data-accumulation techniques (Long et al., 1999). This method was also found to be more effective in terms of information disclosure by individuals compared to any other off-line method (Hanna et al., 2005). Because of this, more recent papers focused on factors that enhance the efficiency and effectiveness of online data-capturing

surveys. In particular, academics experiment with question sequence effects (Moon, 2000; Acquisti, John and Lowenstein, 2012) capitalisation on comparative nature of individuals (Acquisti, John and Lowenstein, 2012) as well as examinations regarding reciprocal information exchanges and their effects towards voluntary disclosures (Zimmer et al., 2010).

In an attempt to further explore the trending issue of consumer privacy protection by understanding what influences individuals to voluntarily disclose private information, this research is interested in reviewing relevant literature for the reflection and demonstration of the importance that customer information has towards modern commercial organisations. Through this review a conceptual framework is sought to be formed that summarises the factors that influence voluntary information disclosures of consumers to commercial organisations. By understanding the information disclosure process of individuals and the factors that influence it, this research offers a blueprint on managerial implications and how organisations can capitalise on consumer behaviour in order to increase the effectiveness and efficiency of their data-capturing processes.

Keywords: Customer Data, Disclosure, Information, Customer Information Management, Privacy, Data Protection Initiatives

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