

The Consumer Private Space: What is and How it can be Approached without Affecting the Consumer's Privacy

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Abstract—The concept of privacy, seen in connection to the consumer's private space and personalization, has recently gained a higher importance as a consequence of the increasing marketing efforts of the organizations based on the capturing, processing and usage of consumer's personal data. Paper intends to provide a definition of the consumer's private space based on the types of personal data the consumer is willing to disclose, to assess the attitude toward personalization and to identify the means preferred by consumers to control their personal data and defend their private space.

Several implications generated through the definition of the consumer's private space are identified and weighted from both the consumers' and organizations' perspectives.

Keywords—Consumer private space, personalization, privacy.

I. INTRODUCTION

ALTHOUGH the distinction between public and private activities was made even by the times of the ancient Greek and Chinese societies, the later attempts to define *privacy* were rather difficult due to the wide number of related interests such as the personal information control, reproductive autonomy, access to places and bodies, secrecy, and personal development [1]. Many definitions given have tried to explain the content of privacy from at least the following angles: the right to be let alone, limited access to the self, secrecy, control of personal information, personhood and intimacy [2].

Definition of privacy should focus, from a marketing-related perspective, on the personal information regarding the consumers. In this respect, privacy has been defined as the claim of individuals, groups or institutions to determine for themselves when, how, and to what extent information about them is communicated to others [3]. Definition proposed by Schoeman in 1984 adapted the content of privacy at individual level presenting it as a claim, entitlement or right of an individual to determine what information about himself (or herself) may be communicated to others; the measure of control an individual has over information about himself, intimacies of personal identity, or who has sensory access to

him; and a state or condition of limited access to a person, information about him, intimacies of personal identity [4].

Privacy must be seen in connection with the particular area where its content is applied. The above definitions suggest the existence of a *consumer's private space* including an amount of information referring to the demographic, psychographic and behavioral characteristics of the individuals (frequently described in the literature as *personal data*), and the rights the consumer should have, on a hand, to disclose or not this information and, on the other hand, to have this information protected through the appropriate laws and means.

Knowledge of the consumer's characteristics, buying and consumption behavior provides the basis for approaching the consumer's private space in a personalized manner. Peppers and Rogers [5] have defined *personalization* as a process in which the customer's information is used to supply solutions oriented towards that customer. Attempting to structure the viewpoints regarding the content of the personalization, Vesanen [6] concluded that its significance varies as the definitions given use often similar terms but in a different interpretation. This leads to a more or less wrong understanding of its content and makes personalization employed rather on small-scale and tactical applications.

Success of the personalization-based marketing depends equally on the way consumer perceives personalization [7], the benefits this is going to produce and the risks to which consumer can be exposed [8]. Supposed to create value for consumers [9], personalization could produce unfavorable effects due to the insufficient or inappropriate understanding of its mission [10].

The personalized consumer approach can not be separated from the drawbacks associated with the inappropriate administration and use of personal data (collected with or without the consumer's consent), due mainly to the insufficient knowledge of the consumers' personal information. As, on a hand, consumers often wants to exert control over the amount and nature of marketing information transmitted to them and, on the other hand, they will be eager to absorb only the information they have requested [11], this knowledge becomes essential. As Godin suggested [12] introducing the concept of permission-based marketing, this knowledge should be used having the consent of the consumer.

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II. METHODOLOGICAL NOTES

A set of 27 variables grouped in four categories of personal data – demographic, psychographic, individual, and relational – has been considered in order to define the content of the consumer's private space. Data have been collected in April-May 2008 at a level of a sample of 236 Romanian consumers from the Capital and other cities, aged 18 to 62, with secondary and higher education, which have been asked about the:

- personal data, corresponding to the demographic, psychographic, individual and relational characteristics, they prefer to have protected;
- importance they associate to the possibility of being approached in a personalized manner when receiving marketing information about different products and services; and
- intentions to use defensive means (such as opt-in/opt-out mechanisms and/or the Robinson list) in protecting their private space.

III. WHAT IS THE CONSUMER PRIVATE SPACE?

Definition of the consumer private space should begin with the identification of the consumers' personal data they prefer to not have disclosed, to have protected or, generally, to control in a certain way their capturing, administration and employment. In order to identify the personal data that are sensitive for consumers, it has been built a scale including four categories of data structured according to the frequencies associated with respondents' needs to have their personal data protected:

- **personal data** (associated with frequencies of 75 % and more, corresponding to a primary or a core area of the consumer's private space);
- **rather personal data** (associated with frequencies between 50 and 74 %, and corresponding to a secondary area of the consumer's private space);
- **rather not personal data** (associated with frequencies between 25 and 49 % and corresponding to a tertiary area of the consumer's private space);
- **not personal data** (associated with frequencies less than 25 % and corresponding to a peripheral area of the consumer's private space).

TABLE I
CONSUMER PREFERENCES IN TERMS OF
THEIR PERSONAL DATA PROTECTION

Demographic	%	Psychographic	%	Individual	%	Relational	%
Gender	8.1	Political preferences	23.7	First and last name	52.5	Mailing address	54.7
Age	16.5	Religious preferences	22.9	Place of work	48.7	Phone number	69.1
Profession	28.8	Sexual preferences	23.7	E-mail correspondence	49.2	Mobile phone number	75.0
Occupation	30.1	Visited websites	26.7	Personal id. number	86.0	E-mail address	50.4
Education	18.2	Household access to goods	30.9	Id serial number	83.9	Personal web address	21.6
Income	69.9	Household access to services	19.1	Health status	32.6		
Personal/family wealth	70.8	Hobbies and passions	12.7	Legal status	37.3		

Frequencies associated to the personal data the respondents prefer to have protected illustrate the significant differences (tested using the Chi-square test at a level of significance of 0.05) between, on a hand, the four categories of personal data and, on the other hand, inside three out of four (including demographic, individual and relational data) of the considered categories. Due to the higher frequencies associated, individual and relational data seem to be better positioned as consumers prefer to disclose personal data regarding rather their demographic and psychographic characteristics than their individual and relational ones.

TABLE II
PERSONAL DATA AND THE PRIVATE SPACE OF THE CONSUMER

Areas of the consumer's private space	Types of personal data			
	Demographic	Psychographic	Individual	Relational
Primary area			Personal id. number, Id. serial number	Mobile phone number
Secondary area	Personal/family wealth, Income		First and last name	Phone number, Mailing address, E-mail address
Tertiary area	Occupation, Profession	Household access to goods, Visited websites	Personal e-mail correspondence, Place of work, Legal status, Health status	
Peripheral area	Education, Age, Gender	Political preferences, Sexual preferences, Religious preferences, Household access to services, Hobbies		Personal web address

Content of the consumer's private space appears to include in this context:

- only individual and relational data in the **primary (core) area**: personal identification number, serial number of the identification documents and the mobile phone number are perceived as being the most private information although, at least in the case of the first two, the concrete risks associated to the collection and usage of these data can be prevented or significantly limited;
- two demographic data (personal/family wealth and income) accompanying other relational (phone number, mailing address and e-mail address) and individual (first and last name) data within the **secondary area**;
- individual (personal e-mail correspondence, place of work, legal and health status), demographic (occupation and profession) and psychographic (household access to certain goods and the visited websites) data in the **tertiary area**; a special mention should be made for the personal e-mail correspondence and the place of work of whose frequencies position them very close to the secondary area;
- finally, several psychographic (political, sexual and religious preferences, household access to the different services, hobbies and passions), demographic (education, age and gender) and relational (personal web address) data within the **peripheral area**.

Consumers seem to not seek an excessive protection for and

to be relatively open to disclose their demographics and psychographics data: database marketing appears to be facilitated as consumers are more open to provide access to this data while direct and interactive marketing seems to be significantly restricted by the lower openness of consumers toward releasing some individual and, mostly, data about their contact “ports” (mailing and e-mail addresses, mobile phone and telephone numbers) supporting the personalized approach.

IV. PERSONALIZATION AND THE CONSUMER’S PRIVATE SPACE

Main means the consumers have at their disposal to defend their private space are the opt-in and/or opt-out mechanisms, respectively the Robinson list. Their employment has been set up in most of the developed markets through the laws issued, complemented by guidelines of good practices implemented by the professional associations in the field.

Responses given in terms of the opt-in versus opt-out mechanisms suggest that the most part of the consumers are concerned about the effectiveness in protecting their private space preferring to a significant extent the opt-in mechanism as opposed to the opportunity of cancelling anytime later a direct and personalized relationship with an organization.

TABLE III
 CONSUMERS’ PREFERENCES FOR OPT-IN
 VERSUS OPT-OUT MECHANISMS

Mechanisms	Frequencies	Percentages
Opt-in	150	63.6
Opt-out	78	33.1
Both	8	3.4
Total	236	100.0

Opportunity to subscribe the Robinson List and to have thus removed all the contact information from the databases has been seen attractive by only a minority while postponing the joining decision appeared to be preferred by the most part of the respondents. The concern for the private space protection seems to be a reasonable one due to the background provided by the relative tolerance of consumers for the personalized approach.

TABLE IV
 CONSUMERS’ INTENTIONS REGARDING THE ROBINSON LIST

Consumers will...	Frequencies	Percentages
join immediately	41	17.4
join later	139	59.1
not join the list	55	23.4
Total	235	100.0

Importance of personalization explains the attitude of the consumers in connection to their private space. As more than a half of respondents have considered that personalization has a high or a very high importance, it can be supposed that higher the importance of personalization is, the more sensitive will be the protection of the consumer’s private space. Openness of the consumers toward being exposed to the

personalized marketing efforts will demand the finding of appropriate solutions to come close to their private space in the limits set by the nature of personal data consumers accept to make available.

TABLE V
 IMPORTANCE OF PERSONALIZATION FOR CONSUMERS

Levels of importance	Frequencies	Percentages
Very high	37	15.7
High	85	36.2
Average	81	34.5
Low	18	7.7
Very low	14	6.0
Total	235	100.0

V. LIMITS OF THE RESEARCH

The research approach has been conducted under the context created by the existence of the following limits:

- set of the variables used to define and measure the private space of the consumers; further research should be conducted under the improvements made in terms of the categories of personal data considered and specific variables considered within these categories;
- scale employed to measure the extent to which the different personal data can be assessed as personal, rather or rather not personal, respectively not personal; further research should consider testing of different instruments to measure the affiliation of the personal data to the consumer’s private space;
- sample and the sampling procedure used; further research should be done using a sample covering, besides the Capital and other cities, the rural areas and having a representative structure in terms of the consumers' education and income;
- international dimension of the research approach; sample to be used in the further research should also include consumers from other countries: although Romania could be seen as a relevant market for the Central and Eastern Europe or even, to a certain extent, for the European Union, it is obvious that results provided using a sample including only Romanian consumers will have no more than an exploratory value.

VI. CONCLUSION AND MAIN IMPLICATIONS

The traditional view of the consumer, as a simple and passive recipient of marketing information, is no longer accurate: personalized approach has become a characteristic of the organizations' attempts to build relationships with their customers and, as well, to provide customers with a greater control over their environment [11].

Findings of the research show that personalization appears to be important or very important for the most part of the

consumers while their attitude regarding the attempts of organizations to come close to their private space is a rather a reserved one. Consumers are not so willing to disclose personal data from their individual and relational areas but are less concerned in terms of making available their geographic and psychographic personal data under the circumstances provided by the maintaining of a certain distance between them and the organizations. Actually, consumers seem to agree receiving of personalized marketing information but they tend to avoid engaging in an interactive relationship with the organizations approaching them.

Appropriate definition of the consumer's private space may have at least three *major implications*:

- 1) a better understanding and a more effective seizing of the value of personal information; once the marketers know with a high degree of precision what is and what is not personal for the consumer, what information the consumer is disposed to disclose about his or her characteristics and behavior, it will become easier to create an overall more friendly environment, to build or improve relationships, to facilitate sales, increase profits and maximize the market share, and, non-the-less, to satisfy better the consumers' needs and expectations;
- 2) a better legal environment regulating the capturing, administration and employment of the personal data; unclear definition of the personal data content leads to an uncertain delimitation of the private space of the consumer that may represent a source of abuses exerted, on a hand, by the companies, government, other public authorities and private bodies or, on the other hand, even by the consumers;
- 3) a more effective consumer's control over the personal information and, consequently, over his or her private space; implementation of an opt-in mechanism, complemented by an opt-out one, will allow consumers to take and exert a real control over the gathering, administration and usage of their personal information, to be involved and to participate effectively to all these processes.

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