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The Upside of Data Privacy - Delighting Customers by Implementing Data Privacy Measures

by

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Abstract

The targeted analysis of customer data becomes increasingly important for data-driven business models. At the same time, the customers' concerns regarding data privacy have to be addressed properly. Existing research mostly describes data privacy as a necessary evil for compliance and risk management and does not propose specific data privacy measures which address the customers' concerns. We therefore aim to shed light on the upside of data privacy. In this paper, we derive specific measures to deal with customers' data privacy concerns based on academic literature, legislative texts, corporate privacy statements, and expert interviews. Next, we leverage the Kano model and data from two internet-based surveys to analyze the measures' evaluation by customers. From a customer perspective, the implementation of the majority of measures is obligatory as those measures are considered as basic needs of must-be quality. However, delighting measures of attractive quality do exist and have the potential to create a competitive advantage. In this, we find some variation across different industries suggesting that corporations aiming to improve customer satisfaction by superior privacy protection should elicit the demands of their specific target customers.

