**Information privacy issues: implications for direct marketing**

Y. JORDAAN  
Associate Professor, Faculty of Economic and Management Sciences  
University of Pretoria

**ABSTRACT**

While international studies show ample evidence of information privacy concerns, there is a lack of knowledge on South African consumers’ opinion on information privacy and their shopping behaviour, especially within a direct marketing context. The objectives of the study included the dependency between age and level of education and knowledge about information protection practices; the privacy concerns of direct and non-direct shoppers; and the direct shopping behaviour of victims versus non-victims. A probability (systematic) sampling design was used to draw a representative sample of households with listed telephone numbers in the different provincial Telkom telephone directories. The sample units were randomly selected, after which 800 telephone interviews were conducted with adults from these households. Findings include that: the level of awareness of name removal procedures is not dependent on age or educational level; direct shoppers and non-direct shoppers differ in terms of their concern for solicitation practices and victims and non-victims differ in terms of their Internet shopping behaviour. The results from the study suggest that the ability to gather and maintain personal information does not necessarily imply that direct marketers are successful in establishing meaningful relationships with consumers. Direct marketing organisations need to be cautious of how they use consumers’ collected information and attend to several privacy issues if they want to facilitate relational exchanges between themselves and consumers.

**INTRODUCTION**

The direct marketing industry is growing, with more organisations adding direct marketing activities to their communications mix. Much of this expansion is due to rapid improvements in technology, making certain marketing practices, especially direct marketing, more feasible (Milne, Beckman & Taubman, 1996:22). Consumers vary in their beliefs and perceptions regarding direct marketing, which can influence whether, and to what extent, consumers are concerned about privacy (Milne & Gordon, 1994:52). There is some evidence that direct marketing users differ from non-users in their personal information and privacy concerns (Phelps, Nowak & Ferrell, 2000:30). Some researchers have suggested that, as individuals are exposed more to direct marketing efforts, their concerns about personal privacy may become better articulated and perhaps increase, leading to a decrease in direct marketing activities (Campbell, 1997:47).

Research reveals that information privacy is an important concern to many consumers (Harris Interactive & Westin, 2000:5; Meinert, Peterson, Criswell & Crossland, 2006:1). Many studies indicate consumers’ concern about how personal information is used by the government and private organisations (Phelps et al, 2000:27; Westin, 2002:16). The article provides a brief theoretical overview of information privacy
invasion in a direct marketing context. Next, the problem statement, objectives and research methodology are described. Thereafter, the results section reports on the hypotheses, followed by a discussion of the implications for companies. Finally, limitations and recommendations for future researchers are highlighted.

**LITERATURE BACKGROUND**

Direct marketers rely on their databases for direct marketing communications with their customers. Most direct marketing activities flow from an organisation’s database, as it contains valuable consumer information. Databases and information-processing technology have several advantages for direct marketers. First, the increasing power of information-processing technology has made the collection and sharing of customer information easy and affordable for direct marketers. Second, the effects of direct marketing are measurable, making it possible for marketing to become more accountable. Furthermore, databases allow direct communications to be targeted, personalised and tailor-made, helping to overcome clutter and allowing direct communications to be cost-effective (Patterson, 1998:71). For this benefit, consumers are required to disclose personal information about themselves to the direct marketer, which offers them the opportunity to build dialogue and long-term relationships with their customers.

Unfortunately, direct marketing communication has the potential to infringe on people’s privacy due to the nature of its activities (Forcht & Thomas, 1994:24). The volume of direct mail, phone calls and e-mails that individuals receive relates to the physical intrusion of marketing communications into their daily lives (O’Malley, Patterson & Evans, 1999:427). Many consumers complain about direct marketers’ unsolicited telephone calls at dinnertime, the junk mail in their post boxes or the spam in their inboxes (Curran & Richards, 2004:7). Evans, Patterson & O’Malley (2001) report that individuals who feel strongly towards privacy attempt to minimise the information held on them and rarely, if ever, provide direct marketers with personal details or request communications from them. Unfortunately, it seems as if consumers have little or no control over the prospecting efforts of organisations.

As a result of these personal experiences, more consumers request individual privacy and data protection from organisations, industry and/or government. Several international studies have shown that consumers’ concern regarding the information privacy issue is very real (Nowak & Phelps, 1992:37; O’Malley et al, 1999:429; Sheehan & Hoy, 1999:26; Berry, 2004:329; Milne, Rohm & Bahl, 2004: 218; Eastlick, Lotz & Warrington, 2006:877; Meinert et al, 2006:6; Rose, 2006:323). In this respect, direct marketers have to understand how consumers feel about the collection, use, storage and dissemination of their personal information. The next section addresses several privacy issues that stem from a direct marketer’s activities.

**Awareness of name removal procedures**

Both previous experience and knowledge of information practices influence consumers’ perceptions regarding fair information practices. Consumers’ knowledge level of actual privacy policies and practices may affect their privacy concerns, although opposing arguments have been presented about this effect. When individuals have extended knowledge about the collection and use of personal information, they tend to be more concerned about information privacy practices. At the same time, however, if consumers understand that the data collected has the potential to build a relationship in which they can participate and benefit, their privacy concerns might be diminished or superseded by their desire to participate (Campbell, 1997:47).

The characteristics of consumers who are aware of name removal procedures versus those who are unaware were investigated
by Culnan (1995:341). She suggests that a consumer information problem exists in direct marketing practices, because the majority of her respondents believe that it is important to be able to remove their names from mailing lists if they so choose. However, these respondents claim to be unaware of any name removal options. The results showed that consumers who were not aware of name removal procedures were less likely to have shopped by mail and were in the younger age category (18-29 years old). In the same study, education was also found to be a variable that discriminated between different levels of education, with the less educated group being unaware of name removal procedures. The results from a study by Sheehan and Hoy (1999:40) show that consumers will adopt protective behaviours, such as asking for removal from mailing lists, sending flame messages to spammers, voicing concern in newsgroups or communications with friends, complaining to the service provider and/or providing inaccurate or incomplete information, if they feel that their privacy is being invaded.

**Privacy and purchasing behaviour**

Several studies have indicated that consumers are willing to change their purchasing behaviour due to privacy concerns. A study conducted by Cyber Dialogue (2001:57) has shown that 27% of Internet users stated that they had abandoned an order online because of privacy concerns, while 21% had switched from online purchasing to placing an order offline. Findings from a study by Harris Interactive (2002:14, 44, 72) concluded that consumers are willing to change their behaviour if they feel an organisation has established strong and trustworthy privacy practices. A total of 83% said they would stop doing business entirely with an organisation if they heard or read that an organisation was using its customers’ information in a way they considered to be improper. In the same study, 56% of consumers decided not to use or purchase something from an organisation because these consumers were not sure how the organisation would use their information. These findings demonstrate that consumers will alter their behaviour if they are confident that an organisation, whether online or offline, will follow its privacy policies.

Harris Interactive and Westin (2000:11) identified six information privacy protective behaviours by consumers. First, they remove personal information, such as a name and address from marketing lists. Second, they may refuse permission to sell or give personal information to another organisation. Third, they may demand to be informed on information practices before the purchase. Fourth, they may refuse to provide information considered irrelevant or too personal. Fifth, they can decline a purchase opportunity when they feel unsure of how personal information will be used. Finally, they can request access to their own personal information in organisational databases.

There is also evidence to suggest that, even though consumers are concerned about their privacy, they do not necessarily change anything about their behaviour to address the concern. Some individuals consider privacy an absolute right, and many people are concerned about their privacy in an abstract sense. However, there have been indications that individuals are increasingly changing or adopting behaviours in light of information requests that they feel invade their privacy (Sheehan & Hoy, 1999:40; Dolnicar & Jordaan, 2007:143). Many consumers surrender their personal information willingly, knowing that they receive substantial benefits in return. For most people, the benefits gained by providing such potentially invasive information far outweigh any of their concerns.

Some organisations, however, do not intelligently organise and use the information they collect, much less
deliver value to consumers in return for it (Hagel & Rayport, 1997:55). A report by Turner and Varghese (2002:11) concluded that consumer surveys were consistent in finding high levels of concern about privacy. However, they caution that a closer look shows wide variations in results and a disconnection between consumer preferences and behaviour.

Shopping through direct marketing channels
Consumers’ beliefs and perceptions about direct marketing can influence their level of concern about privacy. Milne and Gordon (1994:52), for example, have found that, although respondents had favourable attitudes towards direct mail, many desired lower mail volume and improved targeting and advertising mail. There is some evidence that direct marketing users differ from non-users in their personal information and privacy concerns. An analysis of the 1994 Harris-Equifax data (Phelps et al, 2000:30) indicated that people who had made a direct mail purchase in the preceding year were slightly more concerned about threats to their privacy, were more likely to have refused to provide an organisation with personal information and were more likely to have privacy concerns when a profile of their viewing and buying patterns was developed.

There is evidence that consumers’ concerns about personal privacy may increase as they become exposed to more activities and solicitation actions by direct marketers (Campbell, 1997:51; Jordaan, 2004:6). For example, Milne et al (1996:22) found that, in Argentina, only a small percentage of consumers were concerned about information privacy, as opposed to relatively developed direct marketing markets. In the United States of America, for example, consumers have sufficient experience and knowledge of direct marketing practices to have specific concerns. There is also evidence that attitudes towards direct marketing and consumer privacy are shaped by the level of direct response activity of the individual (Milne et al, 1996:24). One of the steps individuals can take as a result of privacy concerns is to restrict their purchases of goods through direct marketing channels.

PROBLEM STATEMENT AND OBJECTIVES
While international studies show ample evidence of information privacy concerns, there is a lack of knowledge on South African consumers’ opinion on information privacy, and their shopping behaviour, especially within a direct marketing context. Based on the findings from previous international studies, several objectives have been formulated to explore the information privacy concerns of South African consumers with regard to some direct marketing practices.

To address the above-mentioned research problem, the following objectives were formulated:

• to determine the dependency between age and level of education, and knowledge about information protection practices;
• to establish the differences between direct shoppers and non-direct shoppers in terms of their privacy concerns; and
• to establish the difference between consumers who have been victims of invasions of privacy and consumers who have not been victims of invasions of privacy in terms of their shopping behaviour through direct channels, such as direct mail, telemarketing and the Internet.

The scope of the study was limited to information privacy in a commercial environment, mainly addressing the use of consumer data for marketing purposes. Although privacy is a multi-faceted concept encompassing a number of specific issues, the study mainly addresses the privacy issues affecting consumers during data collection, data storage, data use, data disclosure and solicitation.

Based on the research objectives, the
following hypotheses were formulated:
H₁: There is a dependency between the level of awareness of name removal procedures and age.
H₂: There is a dependency between the awareness of name removal procedures and levels of education.
H₃: There is a significant difference between direct shoppers and non-direct shoppers in terms of their privacy concerns.
H₄: There is a significant difference between victims and non-victims of privacy invasion in terms of their direct mail shopping behaviour.
H₅: There is a significant difference between victims and non-victims of privacy invasion in terms of their telemarketing shopping behaviour.
H₆: There is a significant difference between victims and non-victims of privacy invasion in terms of their Internet shopping behaviour.

METHODOLOGY
A probability sampling design was used in this study to draw a representative sample of households with listed telephone numbers in the Telkom telephone directories. A systematic sample was drawn across 19 geographical telephone directories where the first number was chosen at random, after which the first number on every 11th page in the directory was chosen (selecting every i-th element in succession). Thereafter, 800 telephone interviews were conducted with the adult in the household who had most recently celebrated his or her birthday. The sampling frame contained 2.9 million households representing 30.4% of the households (9.5 million) with fixed telephone lines at home (SAARF 2001). It has to be pointed out that the study results cannot be generalised to South Africa as a whole, as only households with listed numbers in the Telkom telephone directory service are represented. A total of 2,233 telephone numbers were dialled to reach the target of 800 completed interviews. The response rate for the survey was 36%. The sample included: 36% male respondents; 64% female respondents; the main language groups comprised a spread of 21% African, 41% English and 38% Afrikaans and 2% other.

The measurement instrument was developed from an extensive literature base, and pre-tested among consumers in the selected survey population. The main body of the questionnaire (Questions 1-45) was in the form of evaluative statements measuring the following consumer concern constructs: data collection; data storage and security; data use; data disclosure; solicitation practices; government and legislative protection; behavioural intentions and privacy protection policies. Responses to the 45 items addressing the different facets of consumer concerns were recorded on five-point Likert scale items (ranging from 1 = strongly disagree to 5 = strongly agree). The questionnaire also included 12 ‘yes-no’ items measuring consumers’ protective behaviours, experiences of privacy invasion, knowledge of specific data practices, direct shopping behaviours, as well as certain basic socio-demographic questions.

The 45 privacy concern items were subjected to a scale purification process and showed both reliability and validity after the 45 items were reduced to 25 items. Details on the scale purification process and the underlying dimensions fall beyond the scope of this paper, but can be reviewed in Jordaan (2004). Exploratory factor analysis indicated that information privacy has four underlying concern dimensions (four factors): f₁=privacy protection; f₂=information misuse; f₃=solicitation; f₄=government protection. Although details on the factor analysis will not be addressed in this paper, the underlying concern dimensions will be taken into consideration when testing Hypothesis 3.

RESULTS AND DISCUSSION
Six hypotheses were formulated to address the set objectives and are discussed below.
Data analysis procedures included chi-square and multiple analysis of variance tests (MANOVA). The significance criterion for the hypotheses testing was set at p<0.05.

**Awareness of name removal procedures’ dependency on age and educational levels**

Various studies have measured whether consumers’ knowledge levels of privacy policies and practices affect their privacy concerns. Some studies have found that knowledgeable consumers are less concerned about their personal information, whereas other studies suggested that consumers are more concerned about the collection and use of their personal information (Culnan, 1995:12; Campbell, 1997:51). In this study, consumers’ knowledge was assessed by the following binary question: ‘Are you aware of any options to remove your name from records of companies?’

Descriptive statistics show that only 21% of the respondents were aware of any options available to remove their names from the records of companies. Disturbing is the fact that a large majority of the respondents (79%) were not aware of name removal procedures, showing that they were not conscious of available options to safeguard their personal information.

There is sufficient evidence in previous literature to suggest that there are differences between lower and higher age groups in terms of their awareness of name removal procedures. Hypothesis 1 was formulated to seek support for age differences of consumers in terms of their knowledge of name removal procedures. One question in the questionnaire requested respondents to provide their year of birth as a 4-digit number, for example 1969. Answers to this question, based on the frequencies, were categorised into two distinct age groups, namely a younger age group (18-39 years) and an older age group (40+ years).

The result of the chi-square test (with Yates’s correction for continuity) comparing younger and older consumers in terms of their awareness of name removal procedures did not find enough empirical support for $H_1$ (p=1.0) to suggest that the level of awareness of name removal procedures is dependent on age. For both groups, a total of 77% of the consumers were unaware that they can remove their names from some of the major contact lists in the country as a means to protect their privacy.

Hypothesis 2 was formulated on the basis of evidence from previous studies which had found that consumers who are aware of name removal procedures are often better educated than those who are not aware of name removal procedures. Answers to the educational question in the questionnaire were grouped to form three different educational groups, namely low, medium and high levels of education. The result of the chi-square test indicates that the null hypothesis cannot be rejected as the result provides no support for $H_2$ (p=0.9832). From this non-significant p-value, one can conclude that there is no relationship between educational levels and awareness of name removal procedures. This result differs from that of previous studies where more highly educated consumers were more aware of name removal procedures than less educated consumers. A possible reason for this situation may be that the South African market (irrespective of educational level) has not been educated on how to protect their personal information. This is probably why the newly founded Direct Marketing Association in South Africa aims to inform and educate consumers about the availability of name removal lists managed by them as a protective option for consumers.

**Direct purchasing behaviour and privacy concerns**

Three questions in the questionnaire were used to classify respondents into a direct shopper or non-direct shopper group. Respondents (those who answered ‘no’ to all the direct purchasing questions)
indicated that they had not bought anything directly during the past year, and were classified as ‘non-direct shoppers’. All the respondents who answered ‘yes’ to one, two or all three of the questions were classified as ‘direct shoppers’ because they had purchased directly before. There are no known published research findings about whether direct purchasing experience and knowledge of consumers increases privacy concerns among South African consumers. Results from studies in other countries have indicated that consumers who have been involved in direct purchasing tended to be more concerned about threats to their privacy. Table 1 provides the mean values and hypothesis test results of the different direct shopping groups. As mentioned previously, the four underlying concern dimensions found by Jordaan (2004) will represent the privacy concern variable for Hypothesis 3.

From Table 1, the MANOVA results show a p-value of 0.0000, indicating support for H3. This demonstrates that there is a difference between direct shoppers and non-direct shoppers in terms of their privacy concerns. To establish where the differences lie, univariate analyses were conducted on the different dependent variables. This revealed that the differences between direct and non-direct purchasers were related to solicitation. The mean values further indicate that the non-direct shoppers were more concerned about solicitation than the direct shoppers (3.8 versus 3.3). This suggests why these respondents were classified as non-direct shoppers – they probably do not purchase by means of catalogues, direct mail or telemarketing because they view these purchasing forms as intrusive and do not want unsolicited communication from companies.

Victims and non-victims of invasions of privacy and direct shopping behaviour

Previous empirical research has suggested that an individual’s concern for privacy is based on personal experiences. When consumers have had multiple previous negative experiences with data inaccuracies, they become more reluctant to provide subsequent information and their privacy concerns are likely to increase (Vidmar & Flaherty, 1985:100; Campbell, 1997:46). Such experiences undermine consumers’ trust, not only in the particular direct marketer involved, but in all direct marketing organisations. For this study, a total of 31% of the respondents indicated that they had been a victim of a situation that they felt was an invasion of their private information.

Hypotheses 4 to 6 investigated whether those who have had negative personal experiences (victims) are less likely to become involved in transactions through direct marketing channels than those who do not feel that their privacy has been

<table>
<thead>
<tr>
<th>Privacy concerns Direct shopping groups</th>
<th>Privacy protection</th>
<th>Information misuse</th>
<th>Solicitation</th>
<th>Government protection</th>
<th>F-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct shoppers</td>
<td>4.8</td>
<td>3.6</td>
<td>3.3</td>
<td>4.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-direct shoppers</td>
<td>4.7</td>
<td>3.8</td>
<td>3.8</td>
<td>4.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Univariate analyses</td>
<td>0.0456</td>
<td>0.0487</td>
<td>0.0000</td>
<td>0.0754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wilks’ lambda</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.52</td>
<td>0.0000</td>
</tr>
</tbody>
</table>
violated (non-victims). The descriptive statistics show that 35% of the respondents had purchased something from a catalogue or brochure sent to them (direct mail), 14% said that they had bought something through telemarketing and 12% had purchased from the Internet. The results of the Chi-square tests are presented in Table 2.

Table 2: Chi-square results of victims and non-victims regarding direct shopping behaviour

<table>
<thead>
<tr>
<th>DIRECT SHOPPING BEHAVIOUR</th>
<th>Victim</th>
<th>Non-victim</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>During the past year, have you personally bought something from a catalogue or brochure sent to you?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YES Observed frequency</td>
<td>92</td>
<td>185</td>
<td>0.309</td>
</tr>
<tr>
<td>Expected frequency</td>
<td>85.2</td>
<td>191.8</td>
<td></td>
</tr>
<tr>
<td>Row %</td>
<td>33.2</td>
<td>66.8</td>
<td></td>
</tr>
<tr>
<td>NO Observed frequency</td>
<td>151</td>
<td>362</td>
<td></td>
</tr>
<tr>
<td>Expected frequency</td>
<td>157.8</td>
<td>355.2</td>
<td></td>
</tr>
<tr>
<td>Row %</td>
<td>29.4</td>
<td>70.6</td>
<td></td>
</tr>
<tr>
<td>During the past year, have you personally bought any product or service offered to you by a telephone call?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YES Observed frequencies</td>
<td>37</td>
<td>72</td>
<td>0.502</td>
</tr>
<tr>
<td>Expected frequencies</td>
<td>33.5</td>
<td>75.5</td>
<td></td>
</tr>
<tr>
<td>Row (%)</td>
<td>33.9</td>
<td>66.1</td>
<td></td>
</tr>
<tr>
<td>NO Observed frequencies</td>
<td>207</td>
<td>478</td>
<td></td>
</tr>
<tr>
<td>Expected frequencies</td>
<td>210.5</td>
<td>474.5</td>
<td></td>
</tr>
<tr>
<td>Row (%)</td>
<td>30.2</td>
<td>69.8</td>
<td></td>
</tr>
<tr>
<td>Have you ever purchased anything via the Internet?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YES Observed frequency</td>
<td>49</td>
<td>48</td>
<td>0.000</td>
</tr>
<tr>
<td>Expected frequency</td>
<td>29.9</td>
<td>67.1</td>
<td></td>
</tr>
<tr>
<td>Row %</td>
<td>50.5</td>
<td>49.5</td>
<td></td>
</tr>
<tr>
<td>NO Observed frequency</td>
<td>196</td>
<td>502</td>
<td></td>
</tr>
<tr>
<td>Expected frequency</td>
<td>215.1</td>
<td>482.9</td>
<td></td>
</tr>
<tr>
<td>Row %</td>
<td>28.1</td>
<td>71.9</td>
<td></td>
</tr>
</tbody>
</table>
Findings from Table 2 suggest that there is no significant difference between victims and non-victims in terms of their direct mail or telemarketing shopping behaviour. From the non-significant p-values (.309 and .502) the null hypotheses cannot be rejected, as the results provide no support for $H_4$ or $H_5$. However, there is a significant difference ($p=0.000$) between victims and non-victims in terms of their Internet shopping behaviour. One would expect privacy victims to be less active and extra-cautious in the online environment because of their previous experiences with privacy invasion. The findings, however, indicate the opposite, with non-victims showing more caution when it comes to purchasing from the Internet. The result of the chi-square test thus shows support for $H_6$, showing a significant difference between victims and non-victims in terms of their Internet shopping behaviour.

**MANAGEMENT IMPLICATIONS**

The intention of this study was to develop a better understanding of the specific nature of consumers’ information privacy concerns. The overall results from the study suggest that the ability to gather and use personal information does not necessarily imply that direct marketers are successful in establishing meaningful relationships with consumers.

Direct marketers can pay attention to several privacy issues if they want to facilitate relational exchanges between themselves and consumers. They must show commitment to information privacy at a corporate level and develop privacy policies that contain fair information practices. One of the results from this study indicates high solicitation concern levels of the non-direct shopping group, showing the distrust this group feels toward direct marketers. This can signal to direct marketers that they should implement and promote safer information handling practices. This can be obtained by providing consumers with many more opportunities to engage in consensual information exchange, whereby consumers could indicate what type of information they wish to provide and release for marketing purposes and to which organisations that information could be disseminated. Direct marketing organisations can also consider undertaking regular independent audits by third-party experts to verify that data are securely stored and used only for the purposes disclosed, that access is restricted to employees authorised to handle the information, and that systems are intact to guard against leakage or corruption.

Ball, Coelho and Machas (2004:1289) found that well-structured and valuable communication has a strong effect on consumer perceptions, serving as relationship-enhancement and leading to trust, satisfaction and loyalty. The message is clear, namely that direct marketing organisations need to be cautious of how they use the collected information, and to collect only as much information as is really required to develop effective relationships with their customers. Wong, Chan and Leung’s (2005:935) solution to the problem is a ‘co-sharing mode’. This is when an organisation, instead of sending irrelevant communications to its customers, is able to offer and transfer relevant information to customers by obtaining more and better quality information about customers than its competitors. With more organisations focusing on the retention of customers, it will become increasingly important to protect customers’ personal information (Ryals & Knox, 2005:468).

One of the findings seems to suggest that victims feel more comfortable using the Internet as opposed to the more traditional direct shopping channels (direct mail and telemarketing). This may be because victims have moved away from the traditional direct marketing channels (direct mail and telemarketing) to a ‘safer’ channel, namely the Internet. It may also be because online shopping is a relatively new channel, with fewer reported privacy
invasion experiences, leading to a situation where individuals still feel secure using this channel. This may imply that organisations should focus on online privacy protection to ensure that all users’ safety and privacy are guaranteed in the online environment. If organisations take leadership in privacy protection, they may build consumer confidence in the market by ensuring that personal information is protected while it is in their possession. Direct marketers can also consider providing consumers with an opportunity to indicate what direct shopping channel they prefer.

No significant differences were found between age groups or education groups in terms of their awareness levels of how to remove their personal information from the records of companies. In fact, the low awareness levels of consumers regarding name removal procedures found in this study suggests that all consumers will need to be better educated as to what protective mechanisms are available. At an industry level it is important that consumers are made aware of their rights. Given that consumer knowledge of direct marketing practices is a factor in how they perceive the industry, direct marketers need to allow the consumer greater access to, and control over, their personal information. Consumers should also be made aware of what constitutes acceptable and unacceptable behaviour in terms of data collection and utilisation by organisations. They also need to know how to protect their information, how to query information held in an organisation’s database, and how to remove their information if they so desire (O’Malley et al, 1999:441).

**Limitations and Recommendations for Future Research**

The primary limitation of the research relates to the sampling frame, which included all South African households with listed Telkom telephone numbers. Therefore, the results cannot be generalised to all consumers throughout the country, but is only representative of South Africans with Telkom landlines. Despite these limitations, the findings from this study provide guidance to direct marketing organisations on adequate information practices and also facilitate addressing consumers’ concerns on information privacy effectively.

Some recommendations can be made for future research on consumer information privacy. Due to the multi-faceted nature of information privacy, future research can investigate the determinants or antecedents of buyer-seller relationships. Future research can also test relationships between information privacy beliefs, attitudes, intent and behaviour. Structural equation modelling can be a useful tool to test such conceptual relationships. Furthermore, cluster analysis can be conducted to compile segments according to consumers’ privacy sensitivity, enabling direct marketers to treat sensitive segments in a more appropriate manner.

The privacy scale developed in this study should be tested across a variety of industries in order to confirm the scale’s ability to produce useful results as an indicator of privacy concerns in those industries. The high reliabilities and consistent factor structure would benefit from tests across several independent samples to provide support for its trait validity. Information privacy may yield different information privacy concerns when measured in different industries, such as the banking or the medical industry. At an industry-wide level, industry comparisons can be made to determine whether progress relative to a stipulated industry standard has been made. Industries can be compared to determine how consumers assess them regarding information privacy concerns.

The rapid growth of the Internet and e-commerce suggests that future research should focus on the electronic, computer-based marketing environment. The Internet and the World Wide Web as a marketing environment create new and, often,
invisible, methods for collecting and using personal information, along with several issues involving transactional security. Based on this study’s findings, direct marketers should consider establishing guidelines that clearly delineate what types of personal information can legitimately be collected, how often information should be updated and who can have access. To evaluate their relative performance, direct marketing organisations should benchmark their policies not only against industry-specific requirements, but also against internationally accepted fair information principles. As the global marketplace continues to expand, direct marketers face increasingly strict privacy and data protection regulations in a growing number of countries around the world. Privacy is, thus, not only a consumer issue, but is becoming an important trade issue, since data privacy concerns can create a barrier to international trade.

REFERENCES


