

SOUTH AFRICAN CONSUMERS' INFORMATION PRIVACY CONCERNS: AN INVESTIGATION IN A COMMERCIAL ENVIRONMENT

by

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SYNOPSIS

More consumers are becoming concerned about the protection of their information privacy by organisations. Emerging technologies are allowing the amount of personal information which organisations collect, store, use and exchange to grow exponentially. Consumers increasingly display concern about intrusions on their privacy by marketers, and many want to protect the confidentiality of their personal information. At the same time, legislation governing privacy are proliferating world-wide. These regulations vary from country to country and change constantly. Within the current privacy sensitive environment, a thorough understanding of consumers' information privacy concerns can be critical to any organisation's profitability and sustainable competitive advantage. However, there is a lack of knowledge about, and understanding of the information privacy concerns of South African consumers.

The primary objective of this study was to identify and explore the information privacy concerns of South African consumers in a commercial environment. The secondary research objectives included in this study pertained to the underlying dimensions of information privacy concerns and required an exploration of the different information privacy concerns in relation to specific consumer behaviour actions and demographic characteristics.

Primary research data was collected by means of national telephone interviews. A systematic sampling procedure was used to identify a sample frame of South African households with a telephone number listed in a Telkom telephone directory. A total of 800 interviews were conducted with adults in the selected households. The measurement instrument was purified by means of exploratory factor analysis, reliability measurement and confirmatory factor analysis. The hypothesis testing consisted mainly of chi-square tests and multivariate analysis of variance.

The study uncovered four information privacy dimensions among South African consumers, namely concerns about privacy protection, information misuse, solicitation

and government protection. Some of the other findings include the fact that 89 per cent of South African consumers are moderately to very concerned about information privacy; consumers who make use of Internet transactions are more concerned about the misuse of their information than consumers who do not use the Internet for transactions; and the majority of consumers expect the South African government to protect their information privacy.

1.2 BACKGROUND

The implications of the study are that government needs to find a balance between organisations' information needs and consumers' privacy concerns, and that organisations have a responsibility to communicate how they will use consumer information to ensure that privacy is protected. One of the recommendations is that the general premise for South African organisations should be to act as if consumers have joint ownership rights to data collected about them. This should motivate organisations to implement proper privacy practices and to develop visible privacy policies that are easy to understand. Organisations searching for the reward of active consumer participation and strong trusting relationships should treat personal information as a strategic asset.

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