Research Seminar: Dr. Robert Palmatier
Foster School of Business, University of Washington

Data Privacy: Effects on Customer and Firm Performance

Friday, March 31, 2017 from 12:00 – 1:30 PM in the Business and Economics Building, Room 402

ABSTRACT
Although marketers increasingly rely on customer data, firms have little insight into the ramifications of such data use and do not know how to prevent negative effects. Data management efforts may heighten customers’ vulnerability worries or create real vulnerability. Using a conceptual framework grounded in gossip theory, the authors link customer vulnerability to negative performance effects. Three studies show that transparency and control in firms’ data management practices can suppress the negative effects of customer data vulnerability. Experimental manipulations reveal that mere access to personal data inflates feelings of violation and reduces trust. An event study of data security breaches affecting 414 public companies also confirms negative effects, as well as spillover vulnerabilities from rival firms’ breaches, on firm performance. Severity of the breach hurts the focal firm but helps the rival firm, which provides some insight into mixed findings in prior research. Finally, a field study with actual customers of 15 companies across three industries demonstrates consistent effects across four types of customer data vulnerability and confirms that violation and trust mediate the effects of data vulnerabilities on outcomes.

Biography: http://foster.uw.edu/faculty-research/directory/robert-palmatier/

For full abstracts & to RSVP please contact Sheryl at GSBfacultysupport@uvic.ca or (250) 472-5647