

## The Privacy Paradox II: Operationalizing the privacy benefits of privacy threats

In a 2015 Brookings paper entitled, “The Privacy Paradox: The Privacy Benefits of Privacy Threats,” one of the present authors proposed a simple, largely intuitive, yet controversial thesis: the very technologies that most commentators see as posing grave threats to privacy in fact offer significant privacy benefits to users. While other scholarship has highlighted empirical data indicating that concerns over privacy do not seem to dampen enthusiasm for these new technologies, scholars have generally attributed this phenomenon to user value judgments prioritizing convenience or efficiency over privacy. The 2015 paper proposed an alternative explanation: countervailing privacy concerns may be a significant part of the consumer value judgment. In other words, it hypothesized that people who buy condoms online do so not just because it may be cheaper or more convenient, but also, perhaps even most importantly, because of the privacy benefits of the online transaction. Though privacy advocates often focus on the concept of privacy in the abstract and are therefore concerned about large remote entities collecting data on consumers, individuals may be more concerned with keeping sensitive information from specific people: neighbors, friends, parents, or even the woman behind the counter at CVS. Such individuals, therefore, might be willing to give up privacy from remote entities like corporations or governments in exchange for greater privacy from the people with whom they have to actually interact.

The initial paper laid out this idea on an intuitive level and supported it with anecdotes, some initial data, circumstantial evidence, and personal experience. In this paper, however, we seek to sharpen the picture by testing the theory empirically using Google Consumer Surveys (GCS), an online tool that allows users to create and administer online surveys to a representative or targeted group of respondents. There are some obvious problems with asking people about their privacy preferences directly; not only does doing so require a fair amount of explanation, but many survey respondents may not answer truthfully. Instead, we specifically did not ask about privacy preferences but only about behaviors. For a variety of different behaviors with respect to online shopping, self-checkout purchases, and e-reader use, we asked about pairs of items, one of which was likely to trigger privacy concerns (e.g. condoms), and the other significantly less so (e.g. dental floss). Any efficiency or convenience benefits would presumably occur equally with both types of products, but the privacy effects are likely to be greater with products of a sensitive nature. We collected results for five such pairs.

First, we tested the idea that more readers of *Fifty Shades of Grey* would prefer to do so on an e-reader than would readers of a substantially less titillating novel, *Hunger Games*. Despite the privacy risks associated with online purchases generally and e-readers specifically, more people who read *Fifty Shades* reported doing so on an e-reader. Second, we asked respondents about their preferred shopping habits. Very few survey respondents preferred to buy general household items online, but almost double preferred to buy products of a sensitive personal nature online. Similarly, more women who bought or considered buying a “personal massager” preferred to do so online, but women did not prefer to buy electric fans online. Finally, we tested the hypotheses that young men and women would rather use self-checkout to buy products like condoms and tampons for reasons beyond convenience and efficiency. Though many reported having no preference, more respondents in both groups reported a preference for a human cashier when buying dental floss than when buying products they might consider embarrassing.

These results strongly support the thesis that consumers may have active privacy interests in dealing with the very remote, data-collecting companies towards which our privacy fears are generally directed. They indicate that there is a quantifiable difference in consumer preferences that cannot be explained by other factors like convenience and that likely reflect a privacy preference for doing business with remote entities that collect data, rather than immediately-present people who might judge us. Without taking this difference into account, the picture of individual privacy preferences is incomplete.