Seminar Marketing - Winter Term 2019/2020

Privacy Issues and Data Protection in Age of Big Data

(1) Introduction

The growing digitalization has increased the amount and types of consumer data available to firms, governments, and other organizations dramatically. This phenomenon, called big data, offers huge opportunities to create value for consumers, firms, and governments. Today, about 2.5 quintillion bytes of data are collected every day, including personal information consumers voluntarily share via social media (e.g., photos, content) as well as their browsing behavior (Forbes 2018). The increase in loyalty cards and connected devices owned by consumers enables firms to identify them online and offline and monitor their behavior in great detail (Ashley et al. 2011, Rust and Huang 2014). For firms, big data allow them to better understand the needs of consumers in general and creates many possibilities for personalization of both communication and offers based on individual consumer profiles (e.g., Chung, Wedel, and Rust 2016). Moreover, the increasing consumer knowledge helps firms to refine their strategic marketing decision making and enhance customer relationships especially with their most valuable customers, which are the primary processes of customer relationship management (CRM) (e.g., Verhoef et al. 2010). As the collection of personal information also creates opportunities for new products and services (e.g., location-based services), it has altered the landscape for firms dramatically. Nevertheless, although consumers can benefit from the increased collection of personal information (e.g., by receiving offers tailored to their needs), questions have been raised with regard to consumers' privacy. Recent polls show that 85% of consumers say that business should be doing more to actively protect their data (IBM 2018). As consumers consider any information disclosure already as a loss of privacy, firms still constantly increasingly request customer information, which might give consumers the feeling that firms know too much about them (Kumar et al. 2013). Moreover, a recent study found that just 9% of social media users were "very confident" that social media companies would protect their data (Pew Research Center 2018). Even some well-established firms saw some of their new product developments—including Google Buzz, Facebook Beacon, and the "social ad" on Facebook—fail due to not collaborating with consumers on the privacy design of these new products (Downes 2016). Hence, besides the benefits, these new developments also pose specific risks to consumer welfare and to their rights to privacy and data protection which have implications for firms (e.g., Van Doorn, Verhoef, and Bijmolt 2007). In this vein, recent research has introduced the concept of Corporate Digital Responsibility with the aim to guide firm's understanding of how to act digitally responsible with respect to data privacy – also in the face of GDPR (Lobschat et al. 2019).

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(2) Topics and Content

This seminar aims to shed light on both the consumer (i.e., privacy concerns) and the firm perspective (i.e., data protection and corporate digital responsibility) on big data in today's digital age. You will have to opportunity to gain practically relevant knowledge on this highly relevant topic by empirically investigating selected topics from the two aforementioned perspectives. Exemplary research topics include the following:

Consumer perspective

- Drivers and mitigators of customer privacy concerns
- Exploration of the privacy calculus (convenience vs. privacy concerns)
- Consumer perceptions of firms' data handling

Firm perspective

- Impact of GDPR regulations on marketing communication (e.g., advertising or CRM)
- Impact of corporate digital responsibly on firm performance
- Success and failure of business models building on privacy protection

For this seminar, your task will be to (a) formulate your specific research question(s) within your preferred research topic, (b) develop your own research design based on a thorough literature review, (c) collect your own data, and (d) analyze this data to answer your research question(s). Depending on your research question(s), different data collection methods are possible, ranging from conducting a (field) experiment, doing expert interviews, or using secondary data (e.g., from Compustat). In exceptional cases, data can also be provided by Prof. Lobschat.

(3) Learning Objectives and Seminar Requirements

The main objective of this seminar is let you practice how to approach a managerially relevant problem/question by (1) making use of academic literature, (2) choosing an appropriate research design, and (3) analyzing the resulting data to finally answer your research question(s). Besides this, the seminar provides you with an opportunity to also practice how to present your research findings in an accessible way. Also, you gain (additional) experience on how to effectively and efficiently work in groups. Finally, this seminar offers you the opportunity to practice for your upcoming master thesis.

The seminar consists of two mandatory parts:

- **Written part**: Written research report (max. 30 double-spaced pages) = 70% of the final grade
- **Oral part**: Presentation of research project = 30% of the final grade
- Potential adjustment (positive or negative) of the final grade based on the participation during the presentation session of the seminar = +/- 0.3
- All parts of the seminar are prepared within groups of 3-4 students. It is not possible to complete the seminar as a singular student.

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- Both mandatory parts have to be passed separately to receive the final grade. Students who pass this seminar will receive 12 credit points for their Major Marketing.

(4) Schedule (specific dates will be announced soon)

What?	When?	Where?
Kick-off meeting	January 17, 2020 11:00 – 14:00	Room 006 MCM, Stadtgraben 13-15
Selection of topics (until)	January 20, 2020 12:00 (noon)	Via Learnweb
Assignment of topics	January 22, 2020	
Appointment 1 with supervisor	Tba	MCM or Skype
Appointment 2 with supervisor	Tba	MCM or Skype
Submission of research report	March 19, 2020 12:00 (noon)	Via email to l.lobschat@uni-muenster.de
Submission of research presentation	March 23, 2020 12:00 (noon)	Via email to l.lobschat@uni-muenster.de
Research presentations	April 2 and 3, 2020 9:00 – 17:00	Room 006 MCM, Stadtgraben 13-15

(5) Organizational matters

- **How to apply?** Please follow the MCM application process for seminars via the homepage.
- Please note that registration as well as submission of your research report and/or presentation after the corresponding deadline are not conceded.
- For specific questions, please contact Prof. Dr. Lara Lobschat (l.lobschat@uni-muenster.de)