

Boosting Transparency with Communications in Support of Privacy Notices: The Role of Content and Format

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Extended Abstract

This study investigates the impact of content and format of communications supporting privacy notice on perceived transparency and subsequent consumer behavioural responses. Privacy concerns have intensified due to widespread use of apps processing personal data, particularly AI-powered applications (Carole et al., 2024). The GDPR mandates transparent privacy notices, but users struggle with understanding them (Dehling & Sunyaev, 2023). This study builds upon information asymmetry and Signalling Theory (Connelly et al., 2011), viewing communications about privacy notices as signals that aim to reduce information asymmetry by informing users about firms' data handling practices (Mavlanova et al., 2012, 2016). The study also draws on literature showing that providing more information reduces information asymmetry (Akerlof, 1970), increasing transparency (Montecchi et al., 2024), and that transparency positively influences intentions to use apps collecting personal data (Oldeweme et al., 2021) and increases online purchase intentions (Zhou et al., 2018). It incorporates research on privacy notice formats (McDonald et al., 2009), addressing the challenge of creating communications that increase perceived transparency.

Methodology

A 3x2 between-subjects experimental design was employed with communication content (3 levels: data collection + processing + dissemination; data collection + processing; data collection only) and format (text vs. infographic) as independent variables. Perceived transparency and intention to use the app served as dependent variables. The sample consisted of 180 Italian respondents (mean age 34.31, 41.6% female) recruited via Prolific. Stimuli involved a hypothetical AI-based health app, and analysis was conducted using a moderated mediation model with the PROCESS macro for SPSS, Model 7 (Hayes, 2008).

Results

Results indicate that more comprehensive communications including data collection, processing, and dissemination, increase perceived transparency, which in turn increases the intention to use the app. The infographic format enhances the perception of transparency and the intention to use the app compared to text, but only when limited information is provided (i.e., only information on data collection).

This study offers insights for enhancing transparency while complying with GDPR. Comprehensive privacy notices covering data collection, processing, and dissemination effectively increase perceived transparency and intention to use the app. Managers should consider that infographic formats are particularly effective when communicating limited information, while textual formats may be more efficient for comprehensive communications.

Limitations of this study include the use of a hypothetical scenario and a sample of participants from Italy only. Future research should address these gaps with field and cross-national studies.

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