

CASE 4: Facebook Privacy: Your Life for Sale

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Case 4: Facebook Privacy: Your Life for Sale.

Q1. Perform an ethical analysis of Facebook. What is the ethical dilemma presented by this case?

Ethical Analysis:

The ethical analysis of Facebook clearly specifies the dilemma presented by this case. Facebook receives large amount of user's data due to its freely available collaborative platform and collects user's personal data including name, date of birth, age, hobbies, daily activities, and so on. Facebook uses its platform to obtain individuals personal details around the world by retrieving their confidential data. Facebook does not sale this personal information, but expose this to third parties to obtain and exploit users' information without their consent.

This information of the customers is used by the company to promote advertisements according to the search history, without the user's consent. Providing this data to the company helps Facebook earn a major revenue share. Customer information might be useful for commercial companies, to understand customer needs and offer them good deals according to their preference. However exposing user's data is equally risky as it can be misused if exposed to companies/people with bad intentions creating negative effect on society. In some instances, though, when a user's personal information is made public, criminals may use it against the user or society to make money.

Facebook keeps a regular track of activities being performed by the consumer at every point of time and keeps updating its record, respectively. Collection of all the records helps Facebook to display advertisements individually to each user by selling the data to another company at a higher price. Even if the user deletes the account permanently, still the servers have the user's information stored in a database permanently. Hence, Facebook critics are concerned to offer protection by increasing the privacy controls more than what they currently offer.

Ethical Dilemma

Facebook shares users' personal information without their consent to the advantage of third parties. In addition to this, Facebook users who do not have access to Facebook support are aware of their privacy since they follow the Facebook business model. The data that have been accessed may result in a variety of unwanted events.

Q2. What is the relationship of privacy to Facebook's business model?

Privacy and Facebook business model have an inverse relationship. As said by Facebook CEO Mark Zuckerberg 'Facebook wants the world to be more open and connected because it can make more money in that world', 70% of its five million users connect daily and it's between 18 and 24 when advertisers want to partner with Facebook to get benefits for both. The level of user privacy declines as Facebook's business model is way more effective compared to each other. Despite of that relationship between user privacy and Facebook's business model is crucial as main source Facebook's revenue is partnership with third parties which permits it to offer the most relevant advertising based on data gained directly from users from diverse platforms. As a result, whether Facebook's privacy policies are relaxed or its functions are restricted by regulation, the company will attract more advertisers by default.

In 2013, Facebook made about \$55 billion in advertising, so Facebook's entire business model is based on collecting and sharing user information. They provide people with a free social media platform and in turn sell advertising and information based on what they learn about the user. This allows Facebook to sell targeted advertising. Therefore, data protection is the business model of Facebook.

Q3. Describe the weaknesses of Facebook's privacy policies and features. What management, organization, and technology factors have contributed to those weaknesses?

Weaknesses of Facebook's privacy policies:

- **Security Constraints:** Facebook is a publicly-traded company on the market, and it is free to join and generates income from the billions of the worldwide sponsor. The privacy policies of Facebook are not weak, but they have made weak decisions that have damaged their security reliability.
- **Technology Viewpoint:** Facebook has to develop its technology to allow consumers to delete their accounts. A lack of communication with their practice is what started to defect in their systems and methods. Each action was not formally introduced and described by the organization. In each instance, they only fixed the problem after the damage had occurred. Ultimately, it was the faulty decision making that was the weakness in their privacy policies.
- **Privacy Standards:** Unequal privacy protection standards in different countries.

Weaknesses of Facebook's Features:

- **Data access to third party:** Permit third parties to access user's personal information data without notifying them which violets user's data privacy. User's activities are trespassed by other parties.
- **Violation of privacy without consent:** Exposure of user's biometric database without user's acceptance.
- **Privacy Control:** Poor protection and privacy control.

Below management, organization, and technology factors have contributed to those weaknesses.

Management factors:

- Custom data - sharing deals allow companies to selectively collect data.

- Facebook presumed it has agreement of users to stake information about them that is collected through the Beacon advertising service if they did not use the opt-out feature. Facebook changed Beacon to be an “opt-in” service and gave users the ability to disable it completely.
- The lax management of privacy policies has created many vulnerabilities affecting users. The restrictions after reform to handle the Cambridge Analytica scandal are still unexplicit and there are various limits.
- The company utterly failed to grasp the extent to which the service violated its users’ privacy as well as the uproar such a service was likely to cause. The same thing occurred when Facebook introduced its News Feed feature.
- Generally, it is a strategic management of Facebook’s to get its user to share as much data as possible so that Facebook can serve a relevant advertisement to users. This is because FB revenue comes almost entirely from advertising.

Organization factors:

- Facebook generates its revenue by analyzing user data, constructing biographical portraits of users’ lives, and then selling that information to third parties.
- The personal information collected on the site represents load to advertisers, but one that will remain largely untapped if Facebook users do not feel comfortable enough or have sufficient incentive to share it.
- Users that attempted to delete their accounts were met with resistance and often required outside assistance from watchdog groups.
- Facebook wants the world to be more open and connected because it stands to make more money. However, the privacy controls over the personal data are far from what Facebook currently offers. Moreover, most of the users are not really aware of the privacy setting in their Facebook account.

Technology factors:

- Facebook 's users tagging feature automatically identifies users without permission, affecting the privacy of biometric data. Default features and services do not send any announcement for users. Default" opt-in" option is difficult and dangerous for users.
- Privacy and user controls over the information granted to Facebook are the biggest concerns most users have with the site. Facebook grossly miscalculated user privacy demands when it launched the company's Beacon advertising service because it shared information about users that they had not explicitly intended or agreed to share.
- The service originally began as an "opt-out" feature. Even after users opted-out, the service continued to send information to Facebook regardless of whether or not the user was logged into Facebook at the time. The company's servers maintain copies of information indefinitely in accounts that have been deactivated.

Q4. Will Facebook be able to have a successful business model without invading privacy? Explain your answer. Could Facebook take any measures to make this possible?

Undoubtedly, for many of us, Facebook was one of first social media platform that exposed us to connect people across the world far from our vicinity. But in my opinion, Facebook will have to face a lot of difficulties and challenges to run a successful business model while ensuring the safety of users.

Facebook is a huge platform with users from all over the world. People can easily create a Facebook account for free and use it for a lot of purposes. Facebook's revenue does not come from users, but it gains from third parties. However, third parties are illegally using user information, which poses a difficult problem for Facebook which is how to make a lot of profit while ensuring the security of your information?

From the third-party perspective, Facebook turned out to be beneficial to them, as they had been served with a platform, full of potential customers, just one click away from their products and that is where Facebook earns from.

However, lately, the impression of FB has declined, as it was in the news for the wrong reasons, starting, in March 2018: Cambridge Analytica Scandal; and this ended up having many hostile users on FB and made the users think of alternatives.

Case study indicated that the responsibility for the loss of privacy belongs to both Facebook and its users. One solution that can be considered to overcome this problem is to inform the user what his personal information will be used for and which organization will use it before the user registers to use it. This benefits both Facebook and individuals.

With the current model that FB has in place, the majority of its revenue relies on advertisements, and for the ad's to be catered to our interests, there happens to be the use of personal data hence privacy is at stake!

Hence, in my opinion, with the existing model, the personal data of the users are not safe. It is a critical challenge for Facebook to avoid infringing on users' privacy, but steps can be taken to improve the situation, such as:

Capability for users to control the privacy settings: FB should provide every user with full access to control what data they want to share. And this process must be seamless.

User consent: Users must be kept aware of what part data of there is being shared to whom and why, either by intimating them over a mail or notification.

Opt-out process: To establish a legal relationship with the site's users and safeguard the company's reputation, it is necessary to provide users the choice of accepting or rejecting this offer and this process must be easy.

Working on their new strategies for diversifying revenue sources: FB now has a widened its horizon from just being a social media platform. For instance, its acquisition of Oculus brings FB some revenue from a different stream, and also talking about Facebook Payments Inc, these virtual payments platform is used when you pay for the games played on Facebook such as Subway Surfers, Candy Crush, etc, this can slowly become a competition for to the existing player in the market and can be some source of money for the company.

To summarize, with some efforts w.r.to privacy & user perspective we can still see Meta has lot of potential.

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