The Millennial View on Data Privacy

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Abstract

This paper examines the sentiments of Millennials at the Shanghai University of Finance and Economics (SUFE) towards data privacy. Specifically, the paper asks if SUFE Millennials think data privacy is important. I hypothesize that the students think data privacy is importnat. To test my hypothesis, I created a survey and tried to near probability sampling by visiting three canteens on the SUFE campus at lunch time. I asked every 10th person for a response and collected a total of 51 responses. Then, I analyzed my data and found that, yes, SUFE Millennials think data privacy is important. But I also found that they do not support data privacy education and do nothing to protect their data. Since time permitted, I conducted a second survey to ask why SUFE Millennials care about data protection but do nothing. After applying the same research methodology and collecting an additional 51 surveys, I found that the Millennials have not experienced any bad outcomes. I concluded that SUFE Millennials think data privacy is important but do nothing to protect their data because nothing bad has happened.

Acknowledgements

While I feel that no message can quite convey the extent of my gratitude, I must first thank my parents, Barth and Lisa Conard, for their ceaseless support. I would also like to thank my sisters, Ashley and Aubrey Conard, for their mentorship during my time in Shanghai.

To accomplish this research paper, I want to thank Professor Wang and our Economic Giant course assistant Mr. Alex Geng. Thank you for taking time out of class to provide feedback on my research. I must also thank my roommate, Michelle, for translating my survey into Mandarin and for teaching me how to use 问卷星 to acquire data.

Lastly, I would like to thank my fellow peers for questions and insight. I will surely miss this community.

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I.   Introduction

While living in Shanghai, I have observed a dependency on technology. I have also been fascinated by the impressive size of the Millennial generation and the life-changing impact that technology has played on the generation's personal growth. Goldman Sachs reports that the Chinese Millennial population is "around 415 million, or 31 percent of the total Chinese population." [1] Goldman Sachs also explains that the Millennials grew up during "China's breakneck economic growth," so the generation developed in abundance and has become accustomed to rapid response.[2] As a result, the Millennial generation has swiftly adapted to a technology-driven world.

One of the most popular and widely used apps by the Millennial generation is WeChat. WeChat has over 846 million monthly active users and 60% of the user base are between 15-29 years old. Chinese Millennials spend an average of 40 minutes on WeChat every day. Their increasing use of WeChat has incorporated the platform into their lifestyle and has changed their habits.

A reason that Millennials have naturally gravitated to apps like WeChat is due to the influence of the one-child policy. The one-child policy limited the Millennial generation from having siblings, so many Millennials felt like they were unable to connect with others. Today, many Millennials use the internet to connect with others. Specifically, the online communities allow Millennials to connect with other Millennials. Helen Wang from Forbes explains that the Millennials grew up during a unique growth period in

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[1] http://xqdoc.imedao.com/14fcc41218a6163fed2098e2.pdf

[2] http://knowledge.ckgsb.edu.cn/2016/02/03/demographics/new-youth-understanding-chinas-millennials/

China, so they have a new quality of [3] to which older generations can not relate. As a result, they have been more inclined to connect with other Millennials who can relate to them.

In addition to connecting with others, Millennials use apps for increased convenience in daily activities. Millennials have incorporated apps like Alipay and Didi Dache into their lifestyles: Alipay is China's top mobile payment service[4] and Didi Dache is a crowd sourced taxi-calling application.[5] These apps have offered Millennials great convenience. But these apps also create large data sets of user data like bank information, frequently visited locations, and buying preferences. With this personal information, the apps have the ability to create perfect records of online lives that users may never see. Unfortunately, not all Millennials realize that companies own the personal data and may intend to sell the data for profit. Personal information has now become a form a currency.

With millions of users on apps that are collecting incomprehensible amounts of data every day, I wonder what happens to all of the data. Is the data secure?

II.   Literature Review

In "Data Security: Not a Big Concern for Millennials," John Fleming and Amy Adkins report on behalf of Gallup, holding that Millennials are "trusting of Institutions to safeguard their personal data." They found "that an impressive 80%" of Millennials have 'some' or 'a lot' of trust in companies with their personal data." In fact, Fleming and Adkins explain that the Millennials are the "most trusting" of all generations. They say

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[3] https://www.forbes.com/sites/helenwang/2017/03/27/the-real-reason-chinese-millennials-are-super-consumers/#688cba4e4053
[4] https://global.alipay.com/
[5] http://www.xiaojukeji.com/index/index

that Millennials have "never known a world without" technology, so naturally they are more comfortable with the use of data in their lifestyles. Consequently, they argue that Millennials may view data breaches as a normal aspect of technology and not be quick to deem them a threat. This source fueled my interest in my research question because it proves that users are unaware of the dangers of online applications. Fleming and Adkins also suggest that Millennials blindly trust the organizations with whom they leave traces of personal information. As a result, this article taught me that Millennials are less likely to question authority and may continue to participate in interactions without safeguards.

To better understand the size and tendencies of the Millennial generation in Shanghai, I read the Goldman Sachs report "The Asian Consumer: Chinese Millennials" by Joshua Lu and Anita Yiu. The authors quantify the Chinese Millennial population to "around 415 million, or 31 percent of the total Chinese population." But they say the tendencies of Millennials are changing because of "single-child households, unprecedented economic growth, and technology" influencing their habits. Goldman Sachs contends that the Millennial generation is different from earlier generations because of their notable reliance on technology. This source taught me to consider the Millennial generation as a distinctive group from general society. The Goldman Sachs report also clarified my realization that China's rapid advancement has made the Millennials particularly different from their parents and grandparents. The disparity of wealth, income, and now familiarity with technology have led the Millennials to lead different lives.

In an additional source, "New Youth: Understanding China's Millennials," Chris Russell expands on the notion that "increased wealth and access to information" have afforded the Millennial generation an elevated perspective. This source helped me further

understand how Millennials in Shanghai are different from other generations in Shanghai. Chris defines the Millennials' upbringing as occurring during "China's breakneck economic growth," so he argues that they were shielded from the "scarcity that previous generations came to know." He continues, explaining that the Millennials have enjoyed freedom and prosperity and are therefore more likely to seek pleasurable experiences and confide in applications for the user experience. A Shanghainese based editor agrees with Russell in the article, saying that the Millennial generation is "mostly the single child in the family, so kids are used to a materially sufficient life, but the downside to that is that [they] do not really find a lot of peers to play with." In other words, the Millennial generation has experienced prosperity, but also feels isolated from a lack of siblings. Russell and the Editor agree to the context that Millennials are relying on technology as a result of China's rapid economic growth. The authors also defined how the Millennial stance as the only child has made the generation feel isolated. Since the Millennial population has grown up in a changing period and they feel lonely, they are more comfortable adapting to new applications to connect with people.

To conduct further research on the historical context of the one-child policy, I consulted Helen Wang's "The Real Reason Chinese Millennials Are Super Consumers." In this article, she explains that the one-child generation created a generation of privileged and entitled consumers called "little emperors and little empresses." Wang explained that Millennials may be "extremely demanding" and desire "good products and services" fast. Not having siblings also increased their reliance on the Internet for entertainment; so today they are "extremely active on social media." Wang continues, explaining that Millennials share personal information online to contribute to their online

presence and receive a higher quality experience. This source was useful to my research because it helped explain that Millennials feel safe sharing their personal information. But the source failed to mention why Millennials have displayed such comfort conforming to new applications.

In "New Youth: Understanding China's Millennials," Chris Russell's view on how the Millennial generation has grown up echoed my earlier source from Fleming and Adkins. All authors think that Millennials now have lifestyles ingrained with social media apps. Russell said that Millennials use apps to share and receive personal information with community members. But he went further to explain that marketers have identified the allure for social media applications, so they are customizing buying journeys with personal user information. In other words, marketers are developing tailored marketing tactics to increase their chances for sales. But the marketing tactics are also encouraging Millennials to relinquish their personal data. Russell argues that Millennials may not realize that their data is being consumed and sold.

Thus, to better understand why the Millennials are blindly trusting new mobile applications, I referred to Daniel Allen's article "China's Millennial Consumers: a Generational Leap." Allen explains that the Millennials have embrace mobile e-commerce because they value the "stay-at-home culture." Due to the convenience of staying at home, they are more likely to return to mobile applications. The convenience of the applications has lead the Millennials to accept and trust the platforms. Allen also explains that since the Millennials are benefiting from a higher living standards than their parents, they can purchase more through e-commerce applications and are more willing to spend. Therefore, many Millennials have agreed to save their personal information on

applications because the process will be more convenience. This source taught me that not only have the Millennials adopted trust in the mobile applications, but they have also maintained trust because of the convenience of online e-commerce.

Since my research was highlighting convenience as a reason to use mobile applications, I sought out a resource that explains the Millenial sentiment around convenience on online platforms. In "Why Millennials Don't Worry That Much About Online Security," Peter Daisyme calls Millennials "digital natives," and says that Millennials trust companies with their data because they believe their personal information is a "valuable commodity" that can improve their customer experience. He mentions that Millennials are more "concerned about online security and privacy than previous generations," but he does not provide examples or data to explain how they protect their data. Despite the acknowledgment of data privacy issues, Daisyme explains that Millennials have many devices so they are frequently capable of connecting with the internet. As a result, he said they enjoy sharing "their location in order to receive coupons." Daisyme helped me understand that technology has made activities easier and now technology has become part of a normalized processes. Therefore, shopping from a phone now makes the buying process simpler and online rewards are now becoming part of a normal process.

III. Research Question

Do SUFE Millennials think data privacy is important?

IV. Hypothesis

I hypothesize that SUFE Millennials think data privacy is important. I based my hypothesis on the research in my literature review and my observations and discussions with local Millennials in Shanghai.

V. Research Methodology

To test my hypothesis, I created a survey with 问卷星 to collect information from students. SUFE has a little over 22,000 students [6] and a probability sample would require a random selection from the full list of students. To near probability sampling, I visited three canteens on campus (Muslim, New, and Shen Huan). All are well separated and cover the area of SUFE. Since SUFE students tend to eat lunch at lunch time, I collected responses only during the lunch hour, from 11:30 a.m. to 12:30 p.m. My sample method helped prevent time of day from serving as a negative influence. I asked every 10th person for a response and collected a 17 responses at each location. In total, I collected 51 responses.

i. *Survey Questions*

To refine my results, I first asked for the participant's age. I would eliminate any responses that came from non-Millennials, but luckily all participants met the age requirement. My survey then included five questions to maintain comprehension and ease

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[6] https://en.wikipedia.org/wiki/Shanghai_University_of_Finance_and_Economics

of participation. The survey was available in English and Mandarin, so I received feedback from every person whom I asked to participate. The first four questions required the Millennials to rank their sentiment between 1 and 10, from low to high respectively. The last question was qualitative; in which they were asked to choose between a series of options. All responses were collected on my iPad. Please find my survey below:

> How old are you?
>   a. 18-20
>   b. 21-22
>   c. 23-24
>   d. 25-26
>   e. Other
>
> Please rank on a scale of 1-10, with 1 as not important and 10 as important:
> 1. How important is data privacy to you?
> 2. How important is data privacy education to you?
>
> Please rank on a scale of 1-10, with 1 as never and 10 as frequently:
> 1. Do you worry about your data privacy online?
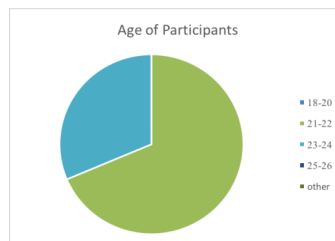> 2. Do you worry about a stranger accessing your personal information?
>
> How do you protect your data?
> a. Nothing
> b. Computer Generated Passwords
> c. Encryption
> d. Other

VI.   Results

My survey considered only Millennials, between the ages of 18 and 22. After collecting 51 responses, my results appear in the images below:

Figure 1: Age of Participants

The graph is Figure 1 displays that 69% of participants were between the ages of 18 and 20 and 31% were between 21 and 22. Thus, all survey participants were Millennials.

Figure 2: Total Values of Perception
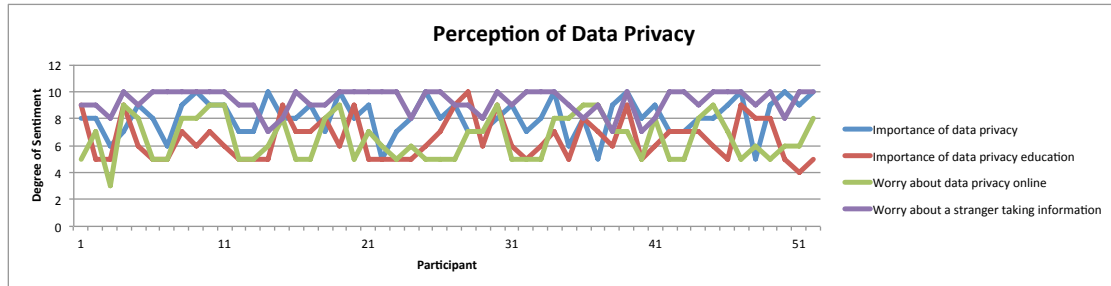
The visual in Figure 2 graphs all degrees of sentiments from the 51 participants. The height and incline of the lines indicate the trends in responses. Higher lines showed a greater degree of sentiment and plateaus indicate that participants gave the same value.

Figure 3: Average Values of Perception
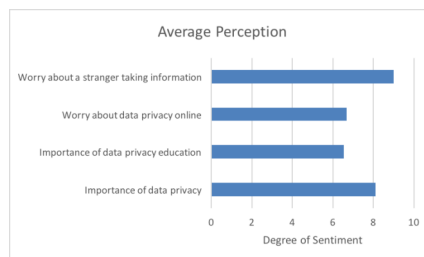
The bar graphs in Figure 3 display the averages of Figure 2 data. The average of the 51 responses reveal that on a 1 to 10 scale, Millennials ranked the importance of data privacy an 8 and the important of data privacy education a 6.5. They ranked their degree of worry for data privacy a 6, but ranked their fear of a stranger accessing their data at a 9.

Figure 4: How to Protect Data
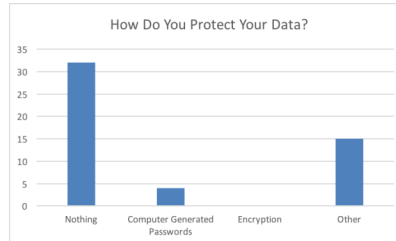
The results in Figure 4 are bar graphs of the final question, in which Millennials were asked to disclose how they protect their data. 62% of respondents say they do nothing to protect their data.

ii.   *Analysis*

The SUFE Millennials ranked high for two questions and low for two questions. The trends in Figure 2 and averages in Figure 3 show that the Millennials ranked the important of data privacy and their fear of a stranger as very high, with average of 8 and 9. But they ranked data privacy education and worrying about data privacy low, with average of 6.5 and 6.

The results of my survey prove that Millennials care about data privacy, but they do not support data privacy education and do nothing to protect their data. The imbalance between belief and action begs the question: Why do SUFE Millennials care about data privacy but do nothing?

iii.   *Further Survey*

With time in my favor, I created a second survey to conduct more research. I pondered as to why SUFE Millennials care about their data privacy but do nothing. I thought perhaps they do not know how to protect their data. Or maybe they actually do not care -- which negates my initial finding. Within my resources, I prepared an additional survey. I repeated the last question from my first survey, and if the respondent
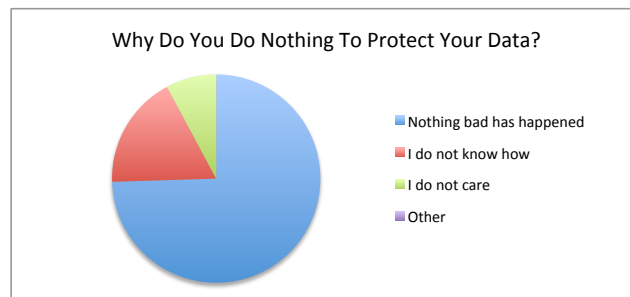
answered "Nothing" for the first question, he/she was prompted to answer a second

question. The follow-up question asked why the respondent does nothing. Please find the

survey below:

1. How do you protect your data?
   a. Nothing
   b. Computer Generated Passwords
   c. Encryption
   d. Other

2. Why do you do nothing to protect your data?
   a. Nothing bad has happened
   b. I do not know how
   c. I do not care
   d. Other

To receive feedback, I applied the same methodology from first survey. As stated in

section V, I tried to near probability sampling by visiting three canteens on campus

(Muslim, New, and Shen Huan). All canteens are well separated and cover the area of

SUFE. Since SUFE students tend to eat lunch at lunch time, I collected responses only

during the lunch hour, from 11:30 a.m. to 12:30 p.m. My sample method helped prevent

time of day from serving as a negative influence. I asked every 10th person for a response

and collected a 17 responses at each location. In total, I collected 51 responses.

iv.   *Results*

Figure 5: Why Do Nothing to Protect

Why Do You Do Nothing To Protect Your Data?

- Nothing bad has happened
- I do not know how
- I do not care
- Other

The pie chart in Figure 5 reveals that 74.5% of responders do nothing because nothing bad has happened. The second largest group with 17.6% showed that they do not know how to protect their data. Of the remaining responses, 7.8% held that they do not care about data privacy.

VII.   Conclusion

I began my research by asking if SUFE Millennials think data privacy is important. With added time, I also asked why students do nothing to protect their data. Thus, my conclusion is twofold:

    i.   *First Survey*

    The conclusion to my first survey and to my research question is that yes, SUFE Millennials think data privacy is important. But I also found that they do not support data privacy education and do nothing to protect their data.

    ii.   *Second Survey*

    Since time permitted, I inquired about why students do nothing to protect their data. As a surprise to me, I found that the majority of Millennials said that nothing bad has happened yet. Since their data has never been stolen, they do not feel the need to take precautionary measures or implement any action for protection.

My background research taught me that the historical context of the one-child policy and China's exponential economic growth in the last 20 years have made the Millennial generation a distinctive group of internet users. My research also taught me

that Millennials have incorporated apps into their lifestyles because of convenience. Plus, the opportunity to use apps like WeChat, Alipay, and Didi Dache has granted Millennials access to an online community that is predominantly used by other Millennials. According to Goldman Sachs, the size of this online community of Millennials stands at [7] "around 415 million, or 31 percent of the total Chinese population." Further background research from Fleming, Adkins, and Russell taught me that the Millennials are generally trusting of companies that use their data because they believe institutions have their best interest in mind.[8]

Due to the Millennial generation's increased reliance on technology, I asked if the Millennials think data privacy is important. I hypothesized that the Millennials think data privacy is important. To test my hypothesis, I created two surveys and conducted the survey during the lunch hour at three different canteens. My results reveals that yes, SUFE Millennials care about data privacy. But I also found that the majority do not act on their belief that data privacy is important. Instead, most do nothing to protect their data. My second survey suggested that SUFE Millennials do nothing to protect their data because nothing bad has happened. Only time will tell if their sentiments about data privacy will change.

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[7] Lu, Joshua, and Anita Yiu. "The Asian Consumer: Chinese Millennials." *Equity Thematic.* Goldman Sachs, 8 Sept. 2015. Web. 9 Apr. 2017

[8] Fleming, John and Amy Adkins. "Data Security: Not a Big Concern for Millennials." *Gallup.com* Gallup, 9 June 2016. Web. 9 Apr. 2017.

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