

## Better not Let Me Know! A Study into Consumers' Maladaptive Response to Enhanced Privacy Regulation

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The increase in digitalized personal information used in the e-commerce has posed new challenges to consumers' information privacy. Consumers' concerns about the inappropriate use of personal information can create potential threats that jeopardize the proliferation of e-commerce. Despite the various industry or government regulations in the past years, now, the California Consumer Privacy Act has moved into spotlight, which tries to reduce privacy concern through providing consumers more rights. Key obligations under the Act include giving certain rights to consumers over their personal information such as knowing what personal information is being collected, knowing to whom their information is being disclosed, and opting-out of the sale of their personal information. However, it has caused controversy due to its focus on consumers' enhanced control through notifying consumers of data collection and offering consumers enhanced right to protect their personal information. This study aims at investigating how consumers react to the enhanced privacy regulation in the e-commerce. When perceiving themselves as having limited freedom, people are often motivated to restore the freedom when it is threatened. Such motivational state to act against the threat can result in undesired coping responses such as negative attitudes and emotions. Most studies on privacy regulation focus on desired coping responses that are adaptive in nature. Little research has been conducted into consumers' maladaptive reactions towards enhanced privacy regulation. To address the research question, this study develops a research model drawing on extended parallel process model to examine the influence of enhanced privacy regulation on consumers' privacy concern. Extended parallel process model is an expansion of previous fear-oriented theories, which considers what happens when a person is presented with the components of threat and efficacy. It adds another appraisal process in which individuals' assessments of perceived threat and perceived efficacy determine whether they will engage in danger control or fear control. When if perceived threat is high but perceived efficacy is low, individual respond to their fear and conduct maladaptive actions. In contrast, if perceived efficacy and perceived threat are both high, people tend to engage in danger control and are confident in taking adaptive actions. However, the theory is not well developed since it does not specify which conditions lead to either fear control or danger control or how the two processes interact. Therefore, in this study, the relationships between constructs of perceived threat and perceived efficacy will also be explored and tested. Experiments will be conducted to test the research model. Specifically, we vary the provision of enhanced privacy regulation among three levels of treatments (no regulation, regular privacy regulation and enhanced privacy regulation) and record how consumers respond to each condition in terms of their privacy concern. This study contributes not only to the extension of extended parallel process model theoretically by examining the relationships between perceived threat and perceived efficacy, but also offers insights into more effective policy formulation from consumers' perspective.