The Value of Personal Information
and Privacy
Evidence from Discrete Choice Surveys

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Background

- Legal framework
- Quantifying an “intangible”
- Tension of between sharing and personal control

Why not do a survey?
Survey Design

Advantages of Conjoint or Discrete Choice

- Allows us to vary features of products
- Allows us to “disguise” privacy
- Does not require respondents to directly value privacy
- Can display levels of privacy

Disadvantages …
Survey Testing Preferences for Streaming Video

- 300 men and women across three age groups (18 – 34, 35 – 54, 55 plus)
- Had to be considering subscribing to an online streaming service in next year
- 65 percent of respondents already have subscription
In the next series of questions you will be shown a number of different paid streaming services for TV and movies that you might consider purchasing. Each service will have a description that includes the following:

- Size and content of catalogue
- Price
- Privacy policy
- Availability of content
- Commercials
## Survey Design

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalogue Size</td>
<td>10,000 movies and 5,000 TV episodes</td>
<td>2,000 movies and 13,000 TV episodes</td>
<td>5,000 movies and 2,500 TV episodes</td>
</tr>
<tr>
<td>Availability of Content</td>
<td>T.V. episodes in 3 months, movies in 6 months</td>
<td>T.V. episodes next day, movies in 3 months</td>
<td>T.V. episodes next day, movies in 3 months</td>
</tr>
<tr>
<td>Commercials</td>
<td>None</td>
<td>Yes</td>
<td>None</td>
</tr>
<tr>
<td>Privacy Policy</td>
<td>Share usage and personal information</td>
<td>Share usage information</td>
<td>Collect but not share</td>
</tr>
<tr>
<td>Monthly fee</td>
<td>$7.99</td>
<td>$6.50</td>
<td>$6.99</td>
</tr>
</tbody>
</table>
Findings

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usage Data are Shared</td>
<td>-0.365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usage and Personal Data are Shared</td>
<td>-0.563</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>-0.094</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mostly Television Content</td>
<td>0.024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mostly Movie Content</td>
<td>0.384</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercials are Shown</td>
<td>-0.262</td>
<td>0.040</td>
<td>-6.526</td>
</tr>
<tr>
<td>Faster Content is Available</td>
<td>0.410</td>
<td>0.041</td>
<td>10.092</td>
</tr>
<tr>
<td>No Streaming Video Service</td>
<td>-1.262</td>
<td>0.113</td>
<td>-8.821</td>
</tr>
</tbody>
</table>

Consumers are willing to pay $3.90 to not share their usage data and $6.10 to not share their usage and personal data.
Digging a little deeper...

- 59.7% unaware usage data collected – 64.3% unaware personal data collected
- Awareness higher with those who already subscribe (but approximately half of these say unaware)

No statistically significant difference between those who know about sharing and those who don’t
What’s next

- “Protest” responses - some respondents seem to value privacy infinitely – some of these *already subscribe*

- Have we described sharing appropriately – features defined correctly

- How can we make it more “real” - emphasize the trade – off between service and privacy

- WTP versus WTA