A Conceptual Model to Understand Privacy Concerns in a Social P2P Payment App

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Abstract

The use of mobile payment apps for small transactions has become a trend, partly due to advances in consumer technologies and the convenience over using cash and credit cards. One such popular app is Venmo, a social peer to peer (p2p) payment app, especially among millennials for splitting bills and transferring money to friends and family. Unlike most other payment apps, social media features are introduced in Venmo, in the sense that users can share their transactions with notes, emojis, comments, likes, and reactions. Similarly, other Venmo users can also comment on other Venmo transactions. Despite the potential privacy risks, the majority of all Venmo transactions are reportedly public and users open the app more for social interactions rather than payments.

The desire of online users for higher privacy controls yet freely disclosing private information by the same user group has attracted the attention of researchers. This has also given rise to the concept of privacy paradox. In the social p2p payment app context, this paradox is pronounced as users express having privacy concerns, although they seek to satisfy social needs by engaging on the social media platform and enjoy the functional benefits of easy and fast money transfer.

To understand this privacy paradox, we propose that the privacy concerns for users of social p2p payment app consist of two dimensions, namely: social and institutional. Building on privacy calculus and the multidimensional view of privacy concerns, this study seeks to (1) examine the two dimensions of social and institutional privacy concerns in the social p2p payment app context (2) establish their relationship with user's continuous engagement with the app, and (3) distinguish the antecedents of the two proposed dimensions based on prior literature.

Specifically, in this paper, we propose an extension of privacy calculus model to explain the privacy behavior of users in the context of Venmo. This study will use a survey to test the hypotheses. The two privacy dimensions will be validated through exploratory and confirmatory factor analyses, and the remaining construct measures will be adapted from the extant literature. An online questionnaire using Qualtrics will be sent to the actual users of Venmo in a large southern university in the United States. The conceptual model will be tested using Structural Equation Modeling (SEM) with PLS approach.

This research contributes to the body of knowledge relating to privacy by identifying key constructs that are likely to explain the inconsistency between users' privacy concerns and their behavior in terms of continuous engagement on the social p2p mobile payment app. By making a distinction between social and institutional dimensions of privacy concerns and identifying their antecedents with regards to the unique characteristics of p2p payment apps, this study provides additional insights about the privacy paradox and user engagement on mobile payment apps.