

Consumer Value of Privacy: Evidence from an Online Retailer

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We study whether and how much consumers value personal information using data from a large online fashion retailer's tiered loyalty program. Consumers are offered loyalty points in exchange for voluntarily disclosing specific categories of personal information—date of birth, mobile phone number, and payment card details. While the nominal reward for disclosure is fixed, the effective value of points varies quasi-exogenously with a consumer's distance to a tier-upgrade threshold. Exploiting this variation and within-consumer comparisons, we identify the causal effect of incentives on disclosure behavior and recover bounds on individual-level value of privacy. We find that consumers systematically value privacy. Disclosure likelihood increases with incentive strength, but valuations differ sharply across data types. Consumers require substantially higher compensation to disclose contact and financial information such as mobile number (\$0.52) and payment card details (\$0.54) than demographic information such as date of birth (\$0.10). We further show that access to alternative paths for earning rewards—such as prior spending or engagement—raises the cost of disclosure and dampens responsiveness to incentives. Together, the results demonstrate that privacy valuations are heterogeneous, context-dependent, and shaped by institutional design.

Key words: privacy, value of data, digital platform, loyalty program