

Social Media and Privacy - Discussion for the Cruise Industry

Bachelorarbeit

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1. Introduction

1.1 Relevance and Motivation

Tourism is one of the world's largest economic fields, which is growing continually.¹ The cruise industry especially gained importance seeing the annual growth of about 4% over 2013 where profit increased up to 39,4 billion € in Europe, in comparison to 37,9 billion € in 2012.²

Tourism is an information intense industry, which makes it necessary to understand and follow changes in technology and consumer behavior. While the Internet changed the way of communication and the way of business, online marketing plays a crucial role in the tourism industry.

Media spaces offer all companies ubiquitous information and numerous communication tools, "one of the recent being social media" and in particular social networks.³ For companies and third parties the amount of information is interesting for the purpose of creating tailored offers. Companies can interact directly with customers and exchange opinions or wishes.

In order to satisfy customer needs companies make use of user generated content to improve and personalize offers in accordance with customer preferences. From a consumer point of view social media can be used as a decision tool for travel destinations while looking at review pages or social networks.

Furthermore, because of the growth of the digital market, which is associated with an increase in data collection further privacy concerns arise not only from the users perspective. Due to the fact that all kind of data is collected through tracking technologies, or are given voluntarily by users, all actions one performs on the web is visible leaving a digital footprint.

With the help of social networks such as Facebook companies or third parties maximize profit and personalize advertisement to satisfy customer needs. Within this context, it has to be analyzed what specific data is available at social network platforms and what data is used for business purposes. How that data is collected poses privacy concerns both for

¹ Cf. Guzzo et al. (2013), p.656

² Cf. Reiseverband (2014)

³ Cf. Hvass & Munar (2012), p.93

the company and for users. Nowadays it is crucial for travel providers to be present in social media. They have to cope with new arising possibilities as well as with concerns, which may emerge for their customers and the company. The objective of this paper is to detect and analyze how the cruise industry can develop their business through the use of social media without raising privacy concerns to its customers.

1.2 Procedure

Research for this paper is conducted by an extensive literature search including different journals and books, online research and the use of the latest privacy policies as well as legal texts namely the Telemedia Act (TMA) and the Federal Data Protection Act (BDSG). Seeing that it is a dynamic topic and policies are often changing.

This paper will discuss AIDA as one of the most popular cruise companies in Germany as part of the Carnival Corporation & PLC. and Royal Caribbean International, which is the biggest cruise provider worldwide. In addition, the focus will be on the social network Facebook on account of it being the biggest platform with 1, 2 billion users at the end of 2013⁴ and a market share of 70% worldwide in 2013.⁵

This paper is organized as follows: section one includes this introduction; section two starts with theoretical foundations while defining social media, privacy and cruise industry. Section three depicts what content is available on social networks that the cruise industry can benefit from. In addition, two techniques will be explained, which are used to collect valuable and necessary information about users in order to build a sustainable business relation. Further, it will be outlined how a cruise company can use the available data through social networks for their business. This is followed by section four, which takes a deeper look at the current legal foundations of privacy in Europe and the US. Also, privacy policies will be compared and analyzed in order to obtain a general understanding of privacy matters in social media. Furthermore, potential “gaps” in privacy policies will be exposed showing potential privacy concerns. Section five will discuss any potential privacy concerns and problems, followed by a recommendation. The work ends with an outline of limitations posed on this research and it gives a conclusion and outlook for future developments.

⁴ Cf. Walther (2014)

⁵ Cf. Statista (2013)

7. Conclusion and Outlook

In times of big data a lot of data is created in digitalised form. Through technical development and the increase in storage capacities, a growth in data storage and processing is observable. This is emphasised through the fact that people are disclosing an incredible amount of personal and non-personal information themselves e.g. in social networks. The processing and evaluation of this data can contribute to an economic growth in every sector while increasing innovations and productivity of a company. In addition, it can enhance more beneficial circumstances for Internet users in form of personalized advertisement and services.

This development raises privacy concerns regarding the use of the valuable data especially, data which is extracted from social media. Those concerns do not only address potential threats to personal safety such as identity theft but rather the misuse of personal information for companies profit maximization. Often even limited information disclosure can be enough to combine the information with other Internet based features in order to gain meaningful content. Even though every website provides specific privacy policies most are not read even though they regulate in detail what data is aggregated, shared or forwarded to third parties. Seeing that privacy concerns on behalf of users are justified due to the fact that companies such as AIDA or RCI are not informing their users sufficiently what data is collected and saved by Facebook, having the Like button implemented on their website. In addition, it remains questionable what information is exchanged between AIDA, RCI and Facebook. However, it seems obvious that the cruise companies have access to more personal information due to their connection to Facebook than they would have otherwise.

In the next years, questions like whom data is it and who can process the data to what purpose and to what extent will occupy the society.

The vast data collection of individual online behaviour is effecting the way companies, Internet users and privacy relate to each other. Seeing that the first step will be to establish a better understanding of online privacy and the used technology, which collects and analyzes data, and its intended consequences. Internet users have to see through the technological veil and be able to make smart choices.

As long as there are no effective procedures for users to resile and control their information, “any personal information that is put out on the Internet must be considered as if it were public”, due to the fact that information in online networks is lasting and can be collected and analyzed without the users knowledge and consent.⁹³

Personally, I do not believe that cruise companies are any pioneers in using social media for business purposes. Rather they seem to follow the general development of social media interaction through the Internet, in particular via social networks such as Facebook as part of our society’s change, being mainstream benefiteres such as any other company. Facebook is mostly used for marketing communication reasons on account of it being free of charge to create a fan page which enables direct and instant communication between provider and consumer. It is easier to measure performance and feedback for tailoring their products.

Seeing how much potential there is for the cruise industry to involve more social media activity into their business, especially with regard to selling cruises in future, trust is inevitable for business to change privacy policies and rethink their current concept. The best practice for cruise companies in this situation is to avoid any negative publicity concerning potential misuse of data, while taking as much benefits as possible from the use of the available technology. The newest trends in the technology and its application by the social media-leaders must be closely observed and followed through.

⁹³ Cf. Trepte & Reinecke (2011), pp.57