Privacy in Social Networking: Competition and Control [abstract]

In the past decade, social networking sites have become a mainstream cultural phenomenon. They are now among the most popular services on the Web. In parallel, online communities have evolved beyond their original purpose of keeping in touch with old friends and finding new ones. Today, the younger generation in particular use online social networking sites as a general communication channel. In both professional and private life, community platforms are starting to replace traditional online and offline means for one-to-one and one-to-many interaction and communication.

Publishing personal information powers online social networking. It is the sites’ main purpose to collect and aggregate data input by their users for subsequent use and distribution. A continual flow of media stories discusses the resulting data protection problems. Sadly, the younger people seem all too willing to reveal personal details without thinking how they might be (mis)used. Anonymity and data encryption alone will not solve this problem. Users of social networking sites need effective and usable controls for defining the how and who of access rights to personal content.

With the mass adoption of social networking sites over the last two years, a scholarly review of privacy practices across the entire online social eco-system was overdue. In my talk, I explore how a market vigorously competing for new users has so far failed to make data protection a selling point. In analysing the privacy designs from 45 internationally leading community platforms, I use economic theory to explain why there is under-provision of privacy controls and systematic negligence of data protection. I conclude with an outlook on how the market incentives for privacy controls may be realigned on the currently dysfunctional market for data protection in social networks.