

PRIVACY LEADERSHIP INITIATIVE

Privacy Notices Research

December 2001

Presented by:

David Krane





Survey Methodology

- ◆ This study is the third in a series of trended studies on consumers' attitudes, behaviors and experiences regarding privacy both online and offline. This survey focused exclusively on privacy notices.
- ◆ For this study, we interviewed a total of 2,053 adults who are U.S. residents aged 18 and over.
- ◆ All interviews were conducted online between November 9-14, 2001. Respondents were selected using Harris Interactive's multimillion member panel of respondents.



Purpose of the Research

- ◆ To understand consumers' attitudes toward privacy notices online and offline including:
 - Important components of privacy notices;
 - Preferred format for privacy notices;
 - Time spent reading notices;
 - Barriers to reading notices; and
 - Actions taken after reading notices.

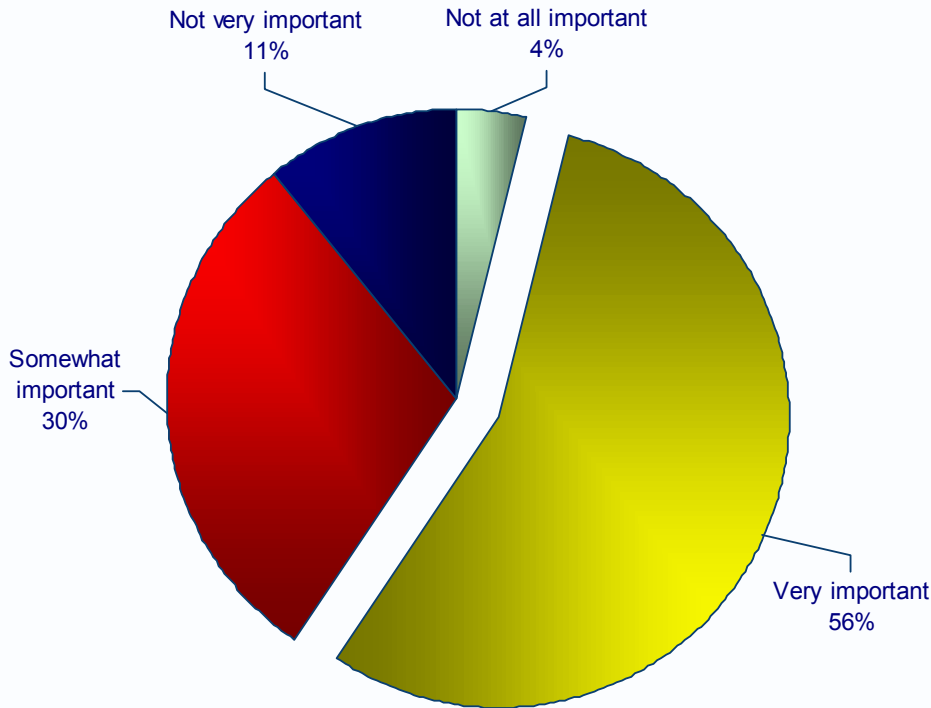
ATTITUDES ABOUT PRIVACY NOTICES:

“Privacy notices *are* important.”

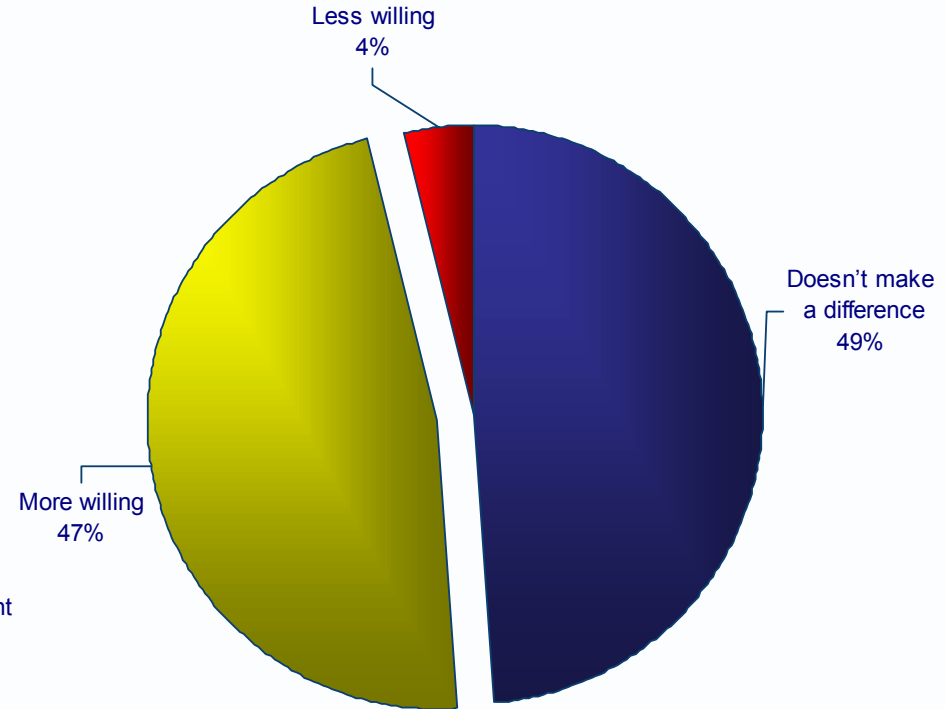


Notices are considered generally important to online users. The presence of privacy policies alone seem to increase consumers' willingness to share information with a website.

% Important



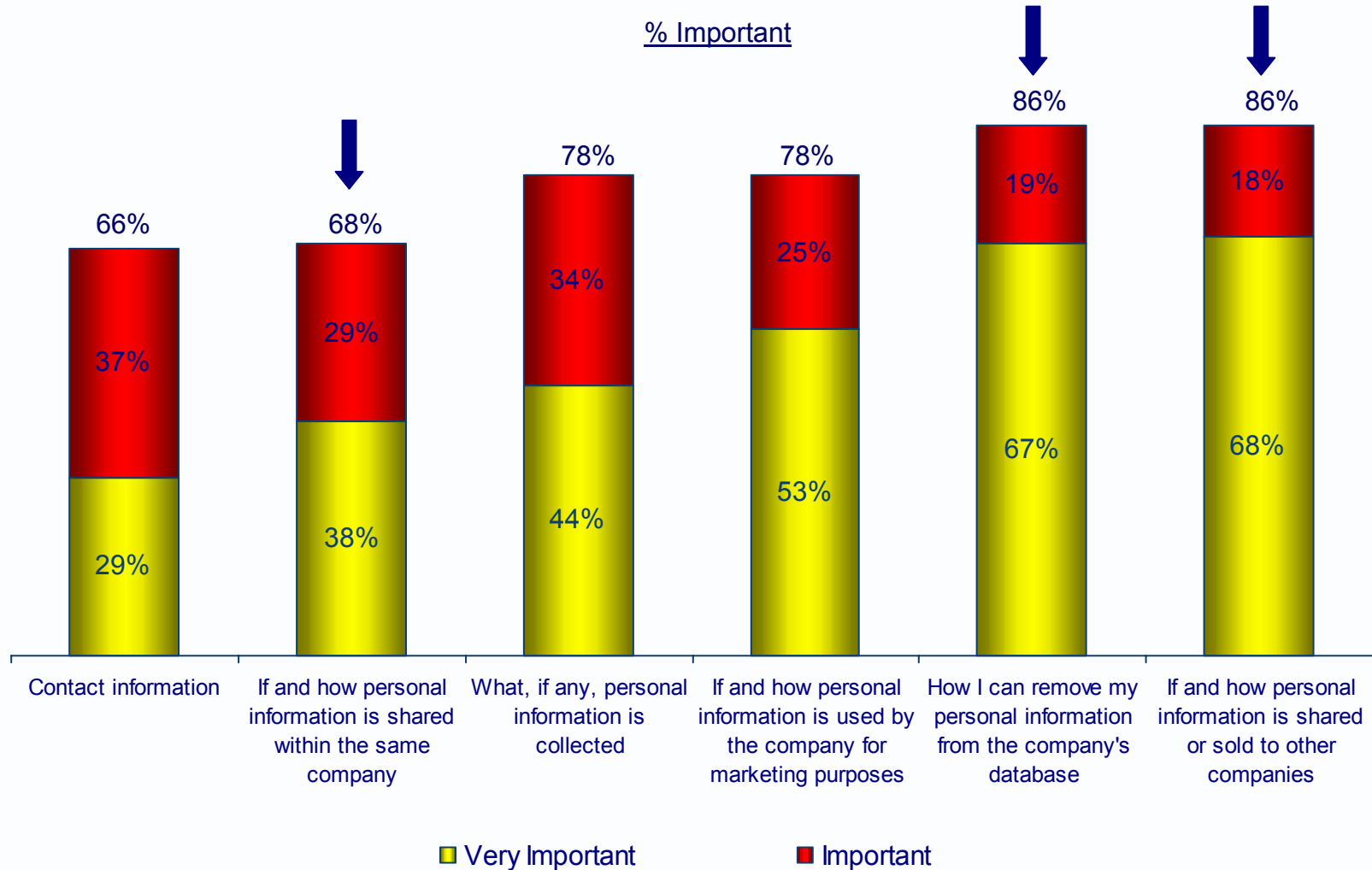
% Willing to Provide Personal Information



Note: This data comes from the PLI Wave 2 Survey.



Whether information is shared or sold to outside companies and how consumers can remove their information from a company's database are considered the most important components of privacy notices - much more so than sharing information within the same company.



FORMAT AND CONTENT OF PRIVACY NOTICES:

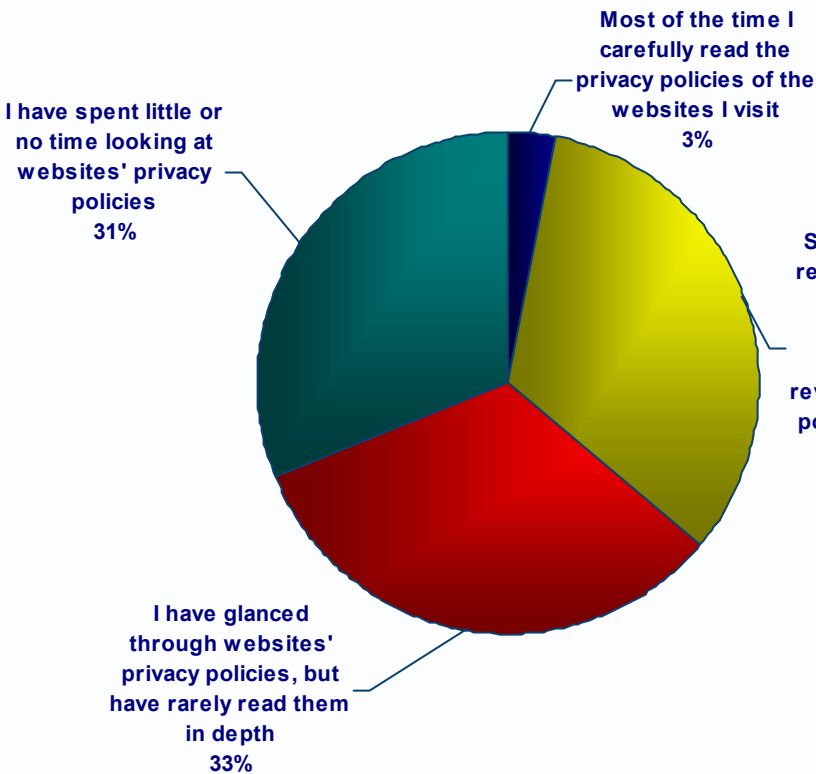
**“Privacy notices are missing the
mark.”**



About two-thirds of consumers spend little if any time reading notices - whether online or offline.

% Websites

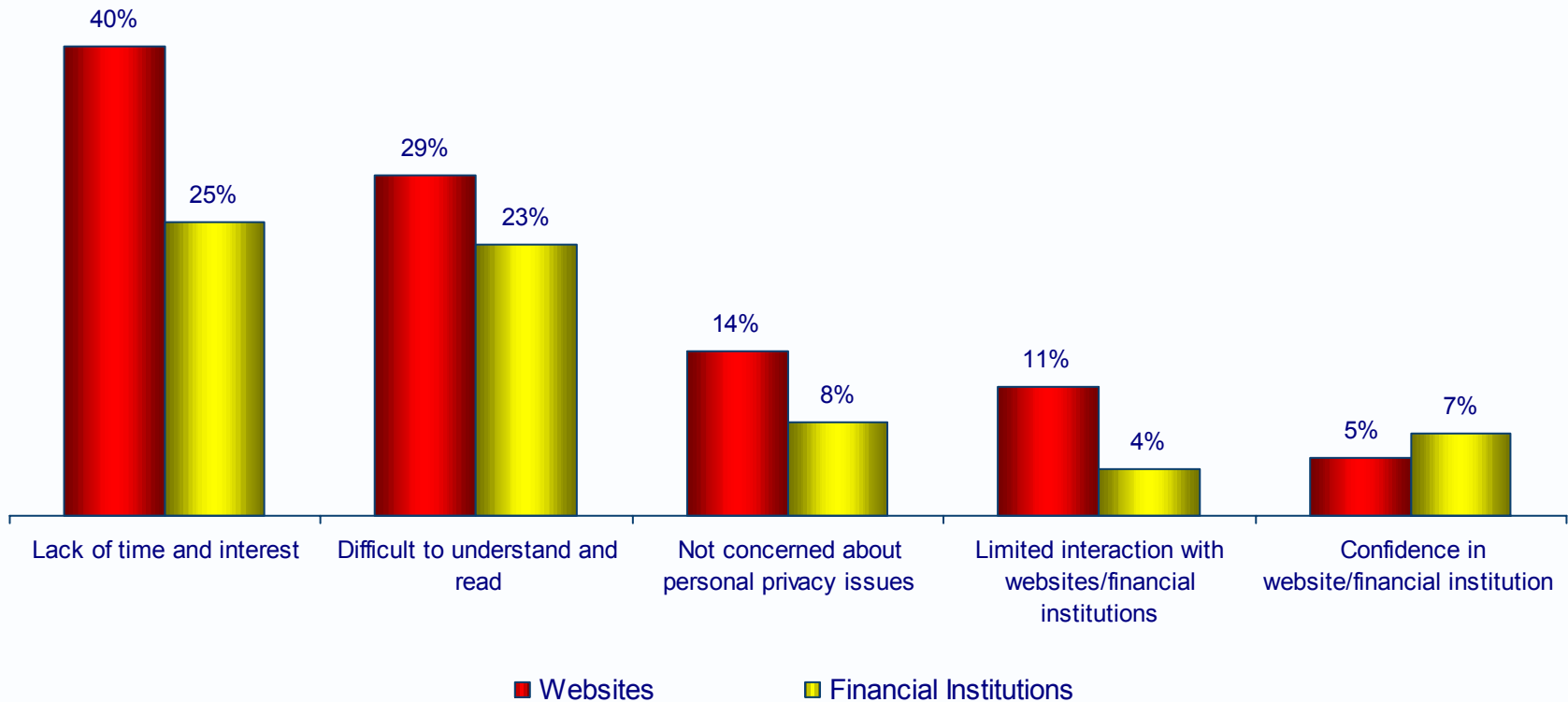
% Financial Institutions





Consumers do not find notices to be accessible, both online and offline. Lack of time/interest and difficulty in understanding or reading notices top the list of reasons why consumers do not spend more time reading notices.

Top Five Reasons Why Consumers Do Not Spend More Time Reading Privacy Notices

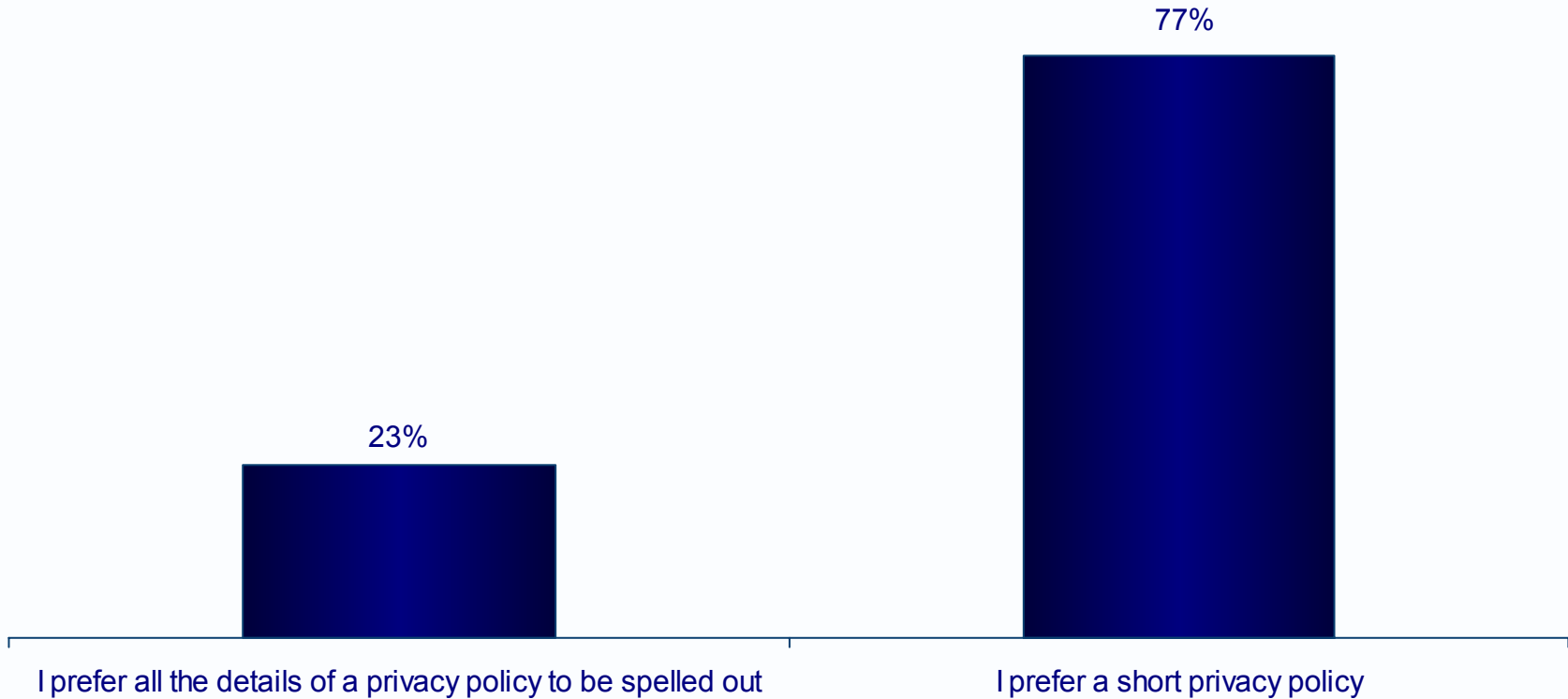


Note: All other responses were mentioned by 5% or less of all respondents.



Almost eight out of ten consumers would prefer shorter privacy policies rather than more lengthy ones.

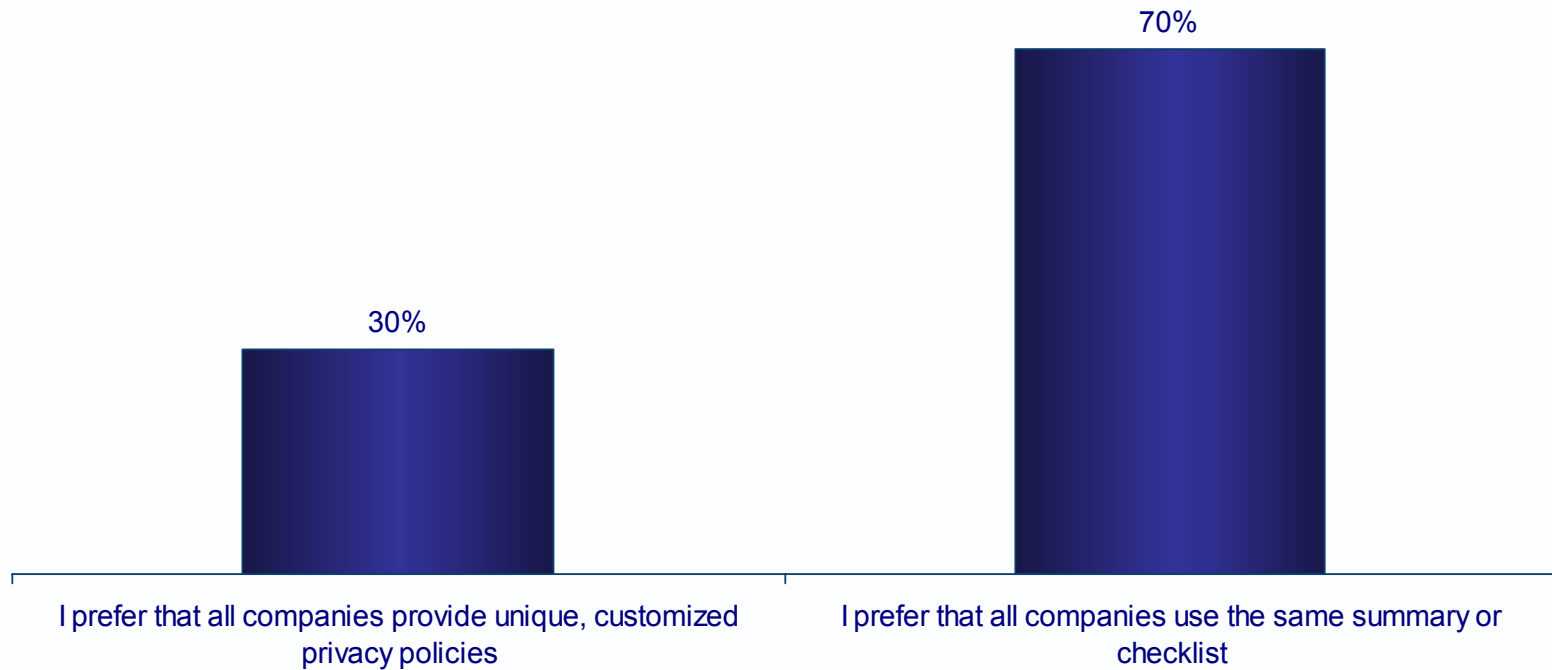
% Agree





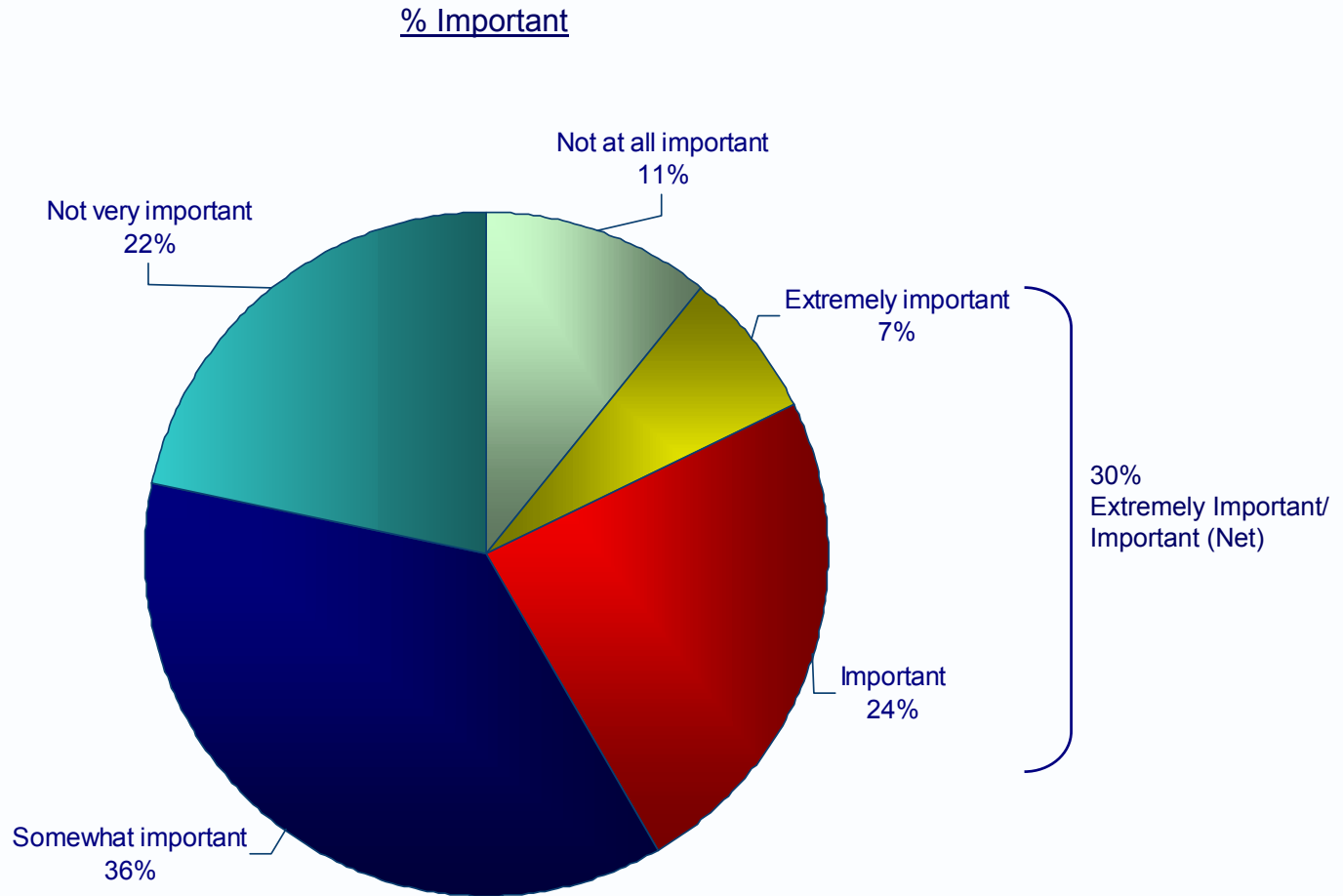
Seven out of ten consumers would prefer that companies use the same summary or checklist.

% Agree





Nearly one out of three consumers feel it is important or extremely important to be able to compare one company's privacy policy to another.



COMPARING PRIVACY NOTICES:

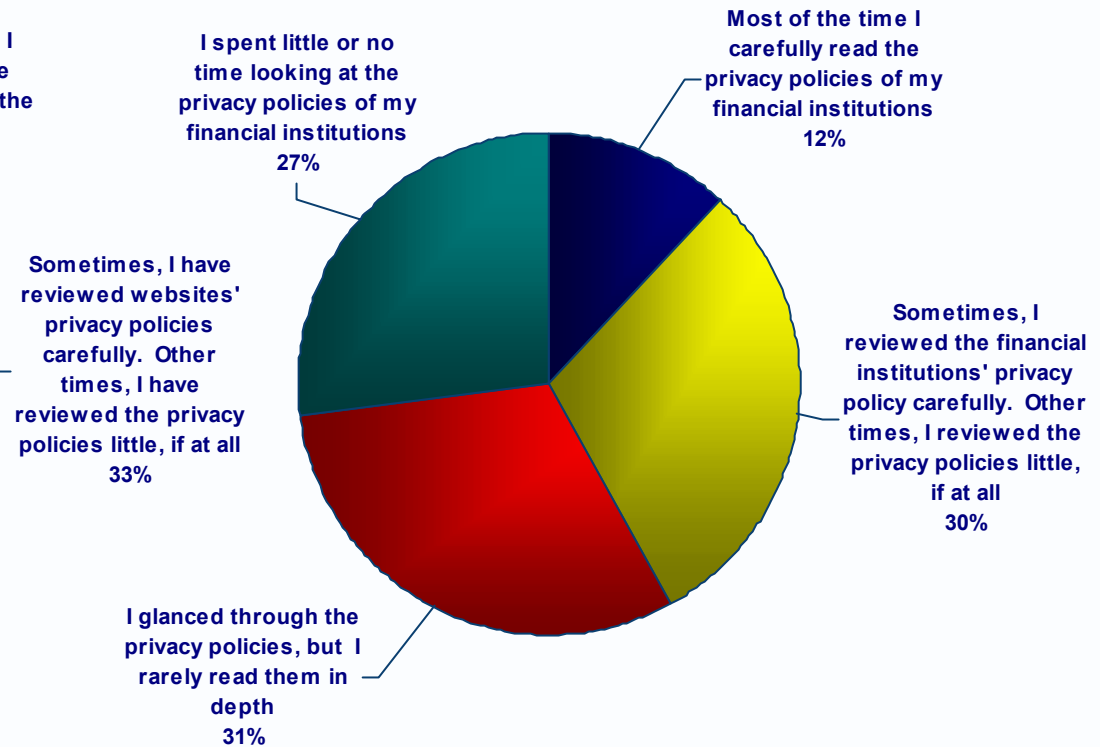
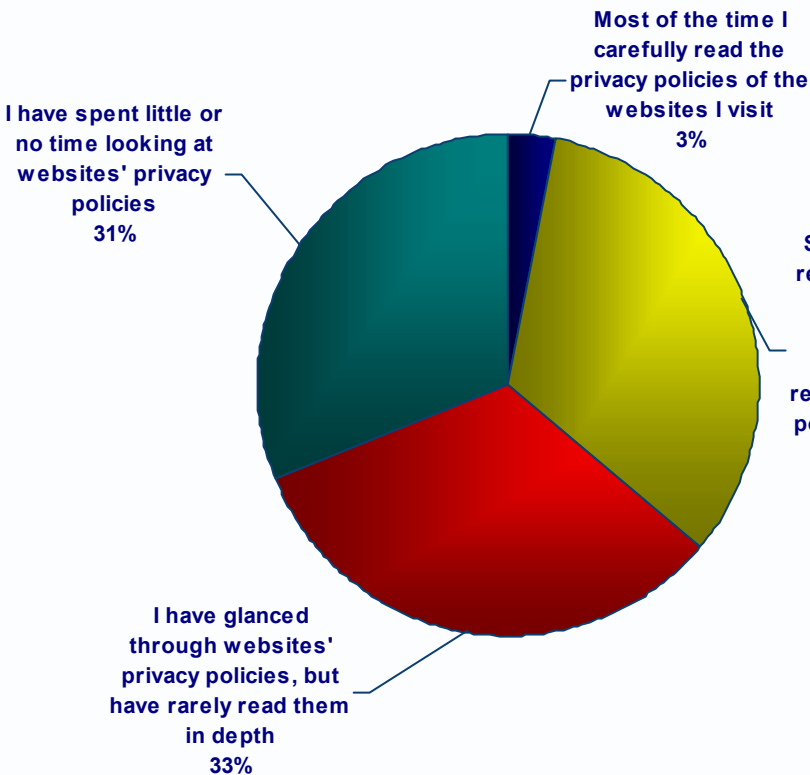
“Consumers respond similarly to online and offline notices - except that consumers are more likely to take action after reading online notices than offline notices.”



Consumers spend nearly equal time reading privacy notices regardless of whether the privacy notice is posted on a website or sent by a financial institution. In both cases, about two-thirds rarely or never read notices.

% Websites

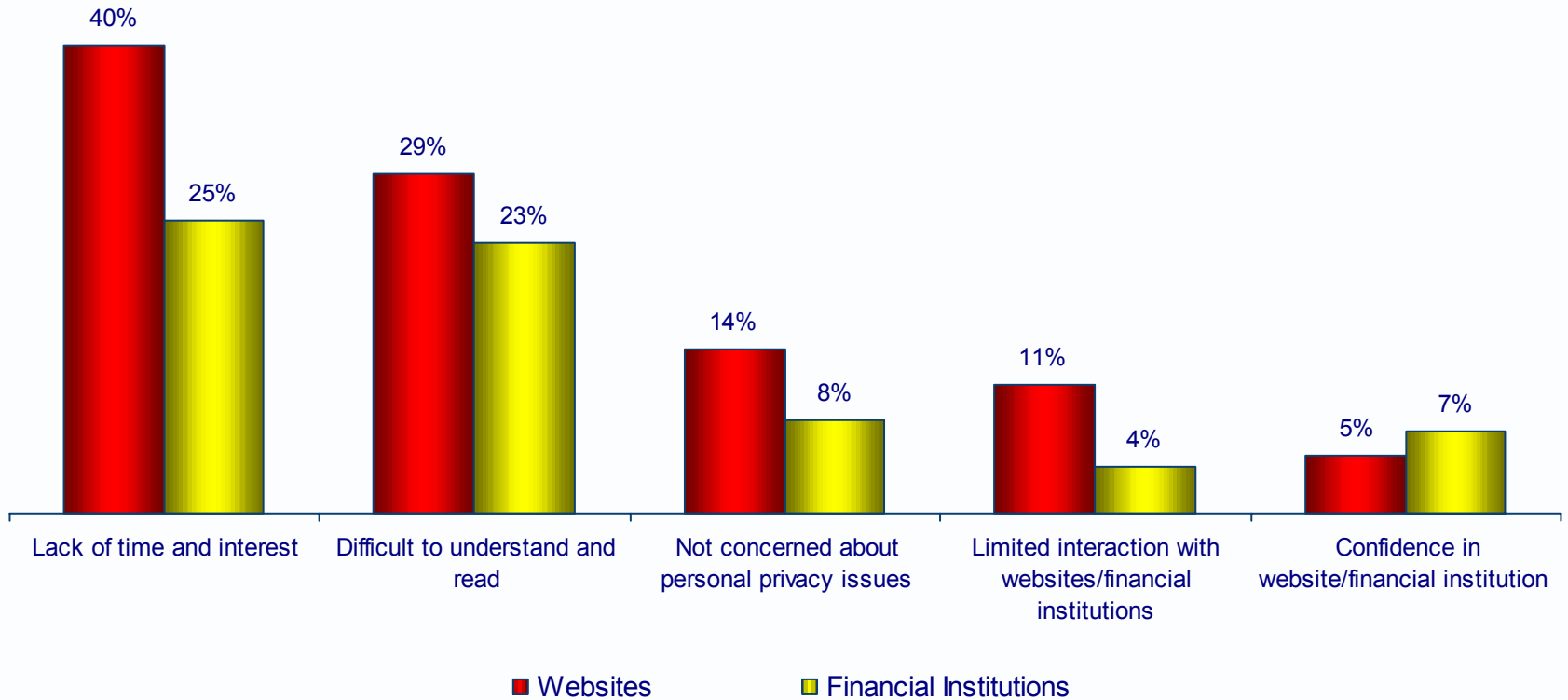
% Financial Institutions





As mentioned, lack of time/interest and difficulty in understanding notices are the top reasons why consumers do not spend more time reading notices. However, lack of time/interest is a much greater barrier for consumers reading websites' notices rather than for financial institutions' notices.

Top Five Reasons Why Consumers Do Not Spend More Time Reading Privacy Notices

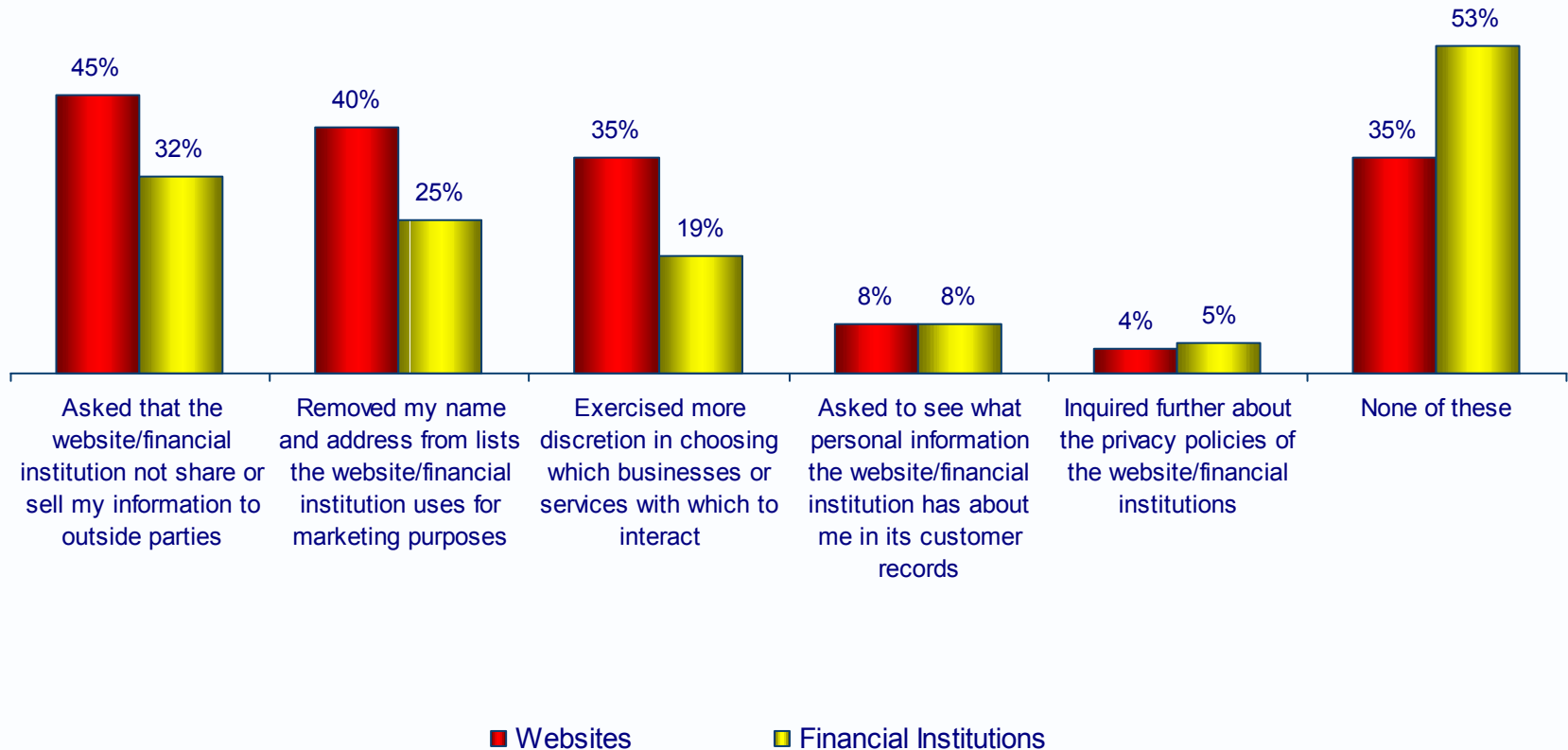


Note: All other responses were mentioned by 5% or less of all respondents.



Consumers are more likely to take action after reading websites' privacy policies than after reading financial institutions' privacy notices. Privacy notices are most likely to prompt consumers to: 1) ask that companies not share or sell their personal information and/or 2) ask to remove their name from a list for marketing.

Actions Taken After Reading Privacy Policies/Notices



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