Corporate Privacy Policies... online

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Brief History

1960: DARPA funds ARPANET development
1970: Networking technology in products
1980: World Wide Web & Mosaic
1990: FTC Report to Congress
2000: Amazon.com & EBay.com
# Growth Trends

<table>
<thead>
<tr>
<th>Early 1997*</th>
<th>December 1997*</th>
<th>Early 2000**</th>
</tr>
</thead>
<tbody>
<tr>
<td>51 million adults online</td>
<td>58 million adults online</td>
<td>100 million adults online</td>
</tr>
<tr>
<td>37 million users <em>shopped</em> for product information</td>
<td>10 million users <em>purchased</em> product information</td>
<td>$7 billion spent online</td>
</tr>
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<tr>
<td>78% of Internet users would use the web more if privacy concerns were mitigated</td>
<td>91% concerned about privacy while online</td>
</tr>
</tbody>
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* FTC report to Congress.  ** Pastore
Privacy Survey

Understand of the privacy concerns of those in the Stanford community and compare new data to the 1998 Business Week survey.

- Online form-based survey
- 92 Stanford affiliates (students, alumni, staff, and friends)
- Questions about experiences online and opinions of online privacy
- What measures do users take to protect their privacy online?
What percentage of the time do you...

... read privacy policies

- 0-20: 74%
- 20-40: 15%
- 40-60: 10%
- 60-80: 1%
- 80-100: 10%

... omit personal information

- 0-20: 27%
- 20-40: 26%
- 40-60: 24%
- 60-80: 18%
- 80-100: 4%
Privacy Survey: Results

Has there been a circumstance when...

... you have falsified information  
Yes: 27%  
No: 73%

... your information has been misused  
Yes: 22%  
No: 78%
Current Policies

“Consumers need to be given notice of an entity's information practices”
- Federal Trade Commission

• Only way to learn about what information site collects
• Privacy Policy Existence trend (data from two different studies):

<table>
<thead>
<tr>
<th>Year</th>
<th>Collect Personal Information</th>
<th>Some Sort of Privacy Notice</th>
<th>Complete Privacy Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998*</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1998*</td>
<td>63.75%</td>
<td>63.75%</td>
<td>63.75%</td>
</tr>
<tr>
<td>1998*</td>
<td>85.00%</td>
<td>85.00%</td>
<td>85.00%</td>
</tr>
<tr>
<td>2002**</td>
<td>21.25%</td>
<td>42.50%</td>
<td>63.75%</td>
</tr>
<tr>
<td>2002**</td>
<td>63.75%</td>
<td>85.00%</td>
<td>85.00%</td>
</tr>
</tbody>
</table>

* FTC report to Congress.  **Progress and Freedom Foundation.
Current Policies

Policies must be accessible to the average Internet user

• 2004 study* reveals -- 64 privacy policies studied:
  • 6% required a high school education or lower (28.3% of Internet population)
  • 54% required the equivalent of 14 years of education (43.4% of Internet population)
  • 13% required a postgraduate education (14.6% of the Internet Population

* Jensen and Potts.
Legislation

Currently, there are no regulations or industry standards regarding corporate privacy policies in general.

Existing Legislation:
- HIPAA
- GLBA
- COPPA
- OPPA

Other Regulatory Agencies:
Ethical Concerns

• *Should* users be concerned about privacy online?

• *Should* corporations take measures to protect user’s private information?

• *Should* privacy policies be made accessible both via language and placement on web sites?

• *Should* corporations be permitted to change their privacy policies at any time?
Future Directions

You have zero privacy. Get over it.
-- Scott McNealy

- Data is public anyway
- Convenience of Internet will outweigh privacy concerns
- Market will resolve privacy issues

Privacy can exist. But without incentive, it won't be respected.

- Current privacy regulation is ineffective
- Solution must be desirable to corporations and users
- Legislation may help to encourage such a solution.
Thank You!

http://www.stanford.edu/~jblack/privacy