

Protecting Privacy in websites

By: Curtis Petrich

February 2008

“Crafted correctly, your privacy statement is a meaningful communication that can build consumer trust and confidence. This trust will help protect your brand and its underlying promise from the ravages of the highly competitive online marketing space.”

- Bennie Smith, chief privacy officer, Doubleclick

So what exactly is a privacy statement anyway? According to one source, a privacy statement is “A document stating how a website owner will use personal information collected from a visitor to the site, either with or without their knowledge.” (ixou.com)

After “google-ing” “Privacy statement,” I was presented with thousands of search results. Each result took me to a different corporation’s privacy statement page. I read through many of them and realized that although they all basically said the same thing, there was really no uniform design to the privacy statement. The closest thing to a standard in regards to the topic of privacy that I found, was published by the Federal Trade Commission (FTC) and is called the “The Fair Information Practices.” This guide is based on the principle of “Full Disclosure” that we enjoy as a democracy. According to the FTC, “Only when consumers have a full understanding of how an organization maintains and uses information can they make informed decisions regarding the disclosure of their personal information.”

According to the Fair Information Practices, a privacy policy should address the following 5 points:

- **Notice** - Web sites should provide full disclosure of what personal information is collected and how it is used.

- **Choice** - Consumers at a Web site should be given choice about how their personal information is used.
- **Access** - Once consumers have disclosed personal information, they should have access to it.
- **Security** - Personal information disclosed to Web sites should be secured to ensure the information stays private.
- **Redress** - Consumers should have a way to resolve problems that may arise regarding sites' use and disclosure of their personal information.

So now we know what a policy is, but why do you need one? The answer is simple, Privacy statements build consumer confidence. A privacy statement shows consumers that a site respects their privacy concerns and has taken the time to set in place, procedures to protect the consumer's personal information. An article written in 2003 had the following to say about the need for a privacy policy. "If your company plays in a privacy-sensitive industry, your customer databases may be empty in a few years if you don't start investing in privacy now. If customers can't see the results of the investment, privacy won't pay." (Cline). If you are planning on selling a product or a service, privacy must be a top priority. People will not do business with an entity who they cannot trust to hand their private information in a respectful and secure way.

Having a good privacy policy is just one step in building credibility among consumers. A good resource for businesses is the "Stanford Guidelines for Web Credibility." They offer 10

guidelines, that if followed can help you quickly build credibility as a trustworthy business in the online world. These guidelines are based on three years of research that include over 4500 people. (Fogg)

With the rising threat of identity theft, storing and using customer information in a responsible manner is essential to running a good business. A good privacy policy is essential. Make sure that you take the time to develop one for your business.

Works Cited

Smith, Bennie. "Conveying Trust Through Your Privacy Statement."

<http://www.truste.org/about/newsletters/october2003.html>

ixou.com. "What does 'Privacy Statement' mean?"

<http://www.ixou.com/glossary/?term=privacy-statement>

Federal Trade Commission. "Fair Information Practice Principles."

<http://www.ftc.gov/reports/privacy3/fairinfo.shtm>

Cline, Jay. "Does Privacy Pay?" Computerworld: June 17, 2003.

<http://www.computerworld.com/managementtopics/roi/story/0,10801,82198,00.html>

Fogg, B.J. "Stanford Guidelines for Web Credibility." A Research Summary from the Stanford

Persuasive Technology Lab. Stanford University. May 2002.

<http://www.webcredibility.org/guidelines/>