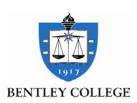
The Consumer Perspective on "Layered" Privacy Notices

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Game Plan

- Consumers on privacy notices
 - What's wrong with traditional notices?
- Using health information for "marketing"
 - Avoiding a privacy disaster case studies

What Consumers Really Want to Know

- If and how information is used for marketing (53% "very important")
- If information shared with other companies (68% very important)
- How they can opt out (67% very important)

Source: PLI Privacy Notices Research, 2001, available at www.ftc.gov (GLBA "Get Noticed" workshop)

Bottom Line on Long Notices

77% say a longer privacy policy makes it too confusing to understand how my personal information would be collected and used

Source: PLI Privacy Notices Research, 2001

Why People Don't Read Current Privacy Notices

Too Long

"How about the Privacy Notices for Dummies version?"

Too legalistic and hard to understand

"Get real, no one in their right mind WANTS to read that mumbo jumbo verbiage"

Lack of time and interest

"Same boilerplate over and over..if you've read one, you've read them all"

Source: Culnan-Milne Survey on Consumers & Online Privacy Notices & PLI Privacy Notices Research, available at www.ftc.gov (GLBA "Get Noticed Workshop", December 2001)

Consumers & Marketing

- 1993 Harris-Equifax Health Information Survey
 - How acceptable is it for pharmacists to provide names and addresses of customers using certain medications to pharmaceutical companies for [direct marketing] without first obtaining the individual's consent?
 - Total NOT acceptable = 60%
- Two case studies
 - Giant Foods & CVS
 - Eckerd Drugs

See: Zimmerman & Armstrong, "Use of Pharmacies by Drug Makers To Push Pills Raises Privacy Issues, Wall St. Journal, 5/1/02

Bottom Line: Avoiding a Disaster

- Don't surprise people
- Perceptions trump reality
 - Avoid overly legalistic disclosures
 - Offer choice (even if it's not required)