

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)