

*IBM Global Services*



# IBM Multi-National Consumer Privacy Survey

*A comprehensive and comparative look at consumers in the United States, Germany, and United Kingdom and their attitudes toward privacy in everyday business transactions.*

*October 1999*



## **FORWARD**

The views, opinions and conclusions reflected in this report are that of Louis Harris & Associates Inc., and not of the IBM Corporation. Final responsibility for the survey questions, data collection, and analysis and interpretation of the findings, rests with Louis Harris & Associates, Inc.

Study #: 938568

**IBM Multi-National Consumer Privacy Survey**  
October 1999

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## Introduction

The IBM Multi-National Consumer Privacy Survey sets a precedent. Previous privacy studies have focused primarily on consumers and the business community within the U.S. and Canada. Here, for the first time, national borders are crossed for a comparative look at similarities and differences among consumers in the United States, United Kingdom and Germany.

The objectives of this report are to identify and explore in the three countries consumers' attitudes towards personalized marketing, in general, and consumers' views of how companies in four specific industries handle consumers' personal information. The four industries explored in depth in this study are (1) healthcare, (2) financial services, (3) insurance, and (4) retail. These are industries that collect personal information from consumers in order to provide goods and services, and also use this information to market their products and services to consumers.

The results of The IBM Multi-National Consumer Privacy Survey confirm that when it comes to the privacy of personal information when doing business with companies, there are some universal concerns on the part of consumers. On the other hand, the report also shows that some consumer attitudes are culturally specific. The findings suggest that, whether they operate locally, countrywide or in a global marketplace, companies in industries that rely heavily on collecting personal information from consumers in order to conduct their transactions need to consider the mindset and attitudes of consumers they serve in their businesses.

## Methodological Overview

Interviews were conducted with national cross sections of adults 18 + years of age during the period April 19 to May 31. Responses from 1,006 adults in the U.S., 1,002 in the U.K., and 1,000 in Germany were tabulated to arrive at the comparisons and conclusions presented in this report. All interviews were conducted by telephone and averaged 20 minutes in length. In addition, an online survey of 2,000 adults was conducted in the U.S. only. Some of the findings and insights of this online survey are cited in this report, as well.



A detailed survey methodology including a description of the screening and weighting procedures is contained in Appendix A.

### **A Note on Reading the Tables in This Report**

The base for each question is the total number of respondents answering that question. All base sizes shown in the report are unweighted; percentages are weighted. An asterisk (\*) on a table signifies a value of less than one-half percent (0.5%). A dash (-) represents a value of zero. Percentages may not always add to 100 because of computer rounding or the acceptance of multiple answers from respondents. Note that, in some cases, results may be based on small sample sizes (N<50). This is typically true when sub-group comparisons are made. Caution should be used when drawing any conclusions from the results based on these small samples. Finally, reference numbers located in the bottom left corner of the tables and figures in this report refer to specific tables in the full set of cross tabulations.

### **Public Release of Survey Findings**

All Harris Interactive, Inc. surveys are designed to adhere to the code of conduct of the Council of American Survey Research Organizations (CASRO) and the code of the National Council of Public Polls (NCPP). Because data from this survey will be released to the public, any release must stipulate that the complete report also is available.

**Acknowledgements**

Louis Harris & Associates greatly appreciates the sound advice, steady guidance, and unflagging enthusiasm provided by the IBM team.

The Harris firm would also like to acknowledge Dr. Alan Westin, Professor Emeritus of Public Law and Government at Columbia University, publisher of *Privacy & American Business*, and a leading privacy expert, for his many valuable contributions to this project.

Final responsibility for the survey questions, data collection, and analysis and interpretation of the findings, rests with Louis Harris & Associates, Inc.

## Executive Summary

The IBM Multi-National Consumer Privacy Survey is a comprehensive and comparative look at consumers in the United States, Germany, and United Kingdom and their attitudes toward privacy in everyday business transactions. This study explores consumers' attitudes toward personalized marketing, in general, and consumers' views of how companies in four specific industries handle consumers' personal information. The four industries explored in depth in this study are (1) healthcare, (2) financial services, (3) insurance, and (4) retail. These are industries that collect personal information from consumers in order to provide goods and services, and also use this information to market their products and services to consumers.

Major themes from the report are presented in this summary. More detailed analysis of the findings from each country are presented in the full body of the report.

## Consumers' Views of Marketing

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*1. A minority of consumers in all three countries say they are interested in receiving marketing material. Yet, in far greater numbers, consumers view personalized marketing as “a good thing” and, in practice, almost half of all consumers in each country have purchased something from a catalog mailed to their home in the past year.*

---

When asked about their level of interest in getting information from businesses about new consumer products and services, a minority of consumers in all three countries say they are very or somewhat interested in receiving marketing material. In the U.S., consumers are the most positive about marketing material, with nearly half of consumers (48%) expressing interest. In Germany, about one-third (32%) of consumers share this interest, while in the U.K. the figure is slightly lower at 29%.

Personalized marketing is the practice in which companies gather information about the individual interests and lifestyles of their customers so they can tailor marketing information to

personal preferences. Interestingly, while in the U.S. consumers are split over the level of interest in receiving information about new products and services, a decisive majority of American consumers (60%) view personalized marketing “as a good thing.” This apparent contradiction is even sharper in the U.K., where just over half (51%) say personalized marketing is a good thing despite the fact that most consumers say they are not interested in receiving marketing material. In Germany, 40% of consumers view personalized marketing as a good thing even though only about one-third say they are interested in receiving marketing material (Exhibit ES-1).

While the majority of consumers say they are not particularly interested in receiving marketing material, consumers in all three countries have – in roughly equal numbers --bought something from a catalog or brochure sent to their residence in the past year. Just over half of American consumers (56%) and German consumers (52%), and just under half of British consumers (49%) say they have made such purchases. The number of consumers who have purchased a product or service in the last year offered by a telephone call to their residence is uniformly small, with the proportion numbering only 12% in the U.S. and dropping to 4% in Germany and 5% in the U.K.

### **Consumer Confidence in Specific industries**

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***2. Consumer confidence in the four specific industries and 10 industry sectors follow a fairly consistent pattern in all three countries. Banks and healthcare companies earn the highest degree of confidence, insurance companies and department stores get moderate ratings, while catalog and Internet companies are at the bottom of the lists.***

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Banks tend to receive the highest confidence ratings in all three countries, with a substantial majority of consumers saying they are very or somewhat confident that their personal information is handled properly and confidentially. This is the sentiment of 77% of consumers in the U.S., 76% in the U.K. and 70% in Germany. Following banks, are the two health industry segments, healthcare providers and pharmaceutical companies also with a high degree of confidence among substantial numbers of consumers (Exhibit ES-2).

Large department stores and insurance companies are in the middle of the pack with about half the consumers in the U.K. and Germany very or somewhat confident, and about two-thirds of consumers in the U.S. giving similar ratings. Just under half of consumers in the U.S. and U.K. are confident in the way credit card companies handle their personal information.

Catalog companies score slightly lower than credit card companies, and Internet companies lag way behind, ranging from one-in-five consumers (21%) in the U.S. saying they are very or somewhat confident to 13% of consumers in the U.K. to only one-in-ten (10%) of consumers in Germany.

Greater consumer confidence in all three types of retail companies exist among consumers who think personalized marketing is a good thing versus those who do not.

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***3. American consumers express more confidence across industry sectors compared to their consumer brethren in the U.K. and Germany, but consumer fears about personal information strike a universal chord. Still, the majority of consumers in all three countries believe most businesses handle information appropriately.***

---

Americans tend to place greater confidence than do Germans or Britons, in companies' handling of their personal information in almost all the industry sectors. If Americans can be characterized as the most confident, Germans may be considered the least. Yet, Americans and Germans are almost equally likely (80% in the U.S. vs. 79% in Germany) to agree that "consumers have lost all control over how personal information is collected and used by companies" and that "it is impossible to protect consumer privacy in the computer age" (71% in the U.S. vs. 70% in Germany). Sixty-eight percent of British consumers also agree with both statements.

Despite the somewhat pessimistic views of consumer privacy just discussed, a majority of consumers in all three countries believe that "most businesses handle the personal information

they collect about customers in a proper and confidential way.” Americans are more likely than their consumer counterparts in Germany and the U.K. to agree with this statement (64% versus 58% in the U.K. and 55% in Germany) (Exhibit ES-3).

## Privacy Protection Behaviors

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*4. Confidence and self-protection go hand in hand. Despite the fact that, of the three nations, Americans profess the greatest degree of confidence in the way virtually all of the industry segments handle their personal information, Americans also are the most likely among the three groups of citizens to take steps to protect their privacy. Americans appear to be motivated to take privacy protection measures, not so much from a set of specific concerns, but by a general sense that their personal information may be misused.*

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American are much more likely than Germans or Britons to say they are very concerned about the misuse of their personal information, both in the online and offline worlds. At the same time, Americans are no more likely than Germans (29% vs. 28%) and only slightly more likely than Britons (23%) to say they personally have been a victim of what they felt was an improper invasion of privacy by a business. Moreover, when survey respondents are classified through a series of attitudinal questions as having a “high,” “medium,” or “low” degree of privacy concern, Americans are twice as likely as Britons and Germans to end up in the “low” group, and tie the Britons (at 25%) and trail Germans (33%) for membership in the “high” group.

More than three-quarters (78%) of Americans say they have refused to give information to a business or company because they thought the information was not really needed or too personal. This contrasts with 58% of consumers in the U.K. and 52% of the German consumers.

More than half of U.S. consumers (54%) say they have decided not to use or purchase something from a company because they weren’t sure how the company would use their personal

information. Only about one-third of Britons (32%) and Germans (35%) have declined to purchase something for this reason. Americans are also twice as likely as Germans or Britons to ask for removal of their name and address from marketing lists and to inquire about companies' privacy policies.

In all three countries, relatively few consumers have actively inquired about companies' privacy policies or examined their personal file or asked a company to see what personal information, besides billing information, they had about them in their files, although Americans are twice as likely to do both (one-in-five consumers in America vs. one-in-ten in the U.K. and Germany) (Exhibit ES-4).

### **Profile of Privacy Protectors**

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*5. Consumers most likely to take steps to protect their privacy are precisely those consumers that are of the greatest interest to marketers – younger, more educated, and generally, more affluent consumers in their peak earning years. This fact needs to be recognized and incorporated into privacy protection policies developed by the business community.*

---

Despite the fact that consumers over 50 tend to have lower confidence levels in the way businesses' handle their personal information, it is younger consumers who are more likely to engage in privacy protection behaviors.

Males were more likely to inquire about company privacy policies than females.

Those with incomes of over \$50,000 were more likely to have refused to give information.

Those with at least some college education were more likely to inquire about company privacy policies, refuse to give information and decided not to purchase goods or services.

## Privacy Protection Policies

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*6. Although not perfectly correlated, to a considerable extent, consumers in all three countries place more importance on privacy protection policies for precisely those industries for which they already have a relatively high degree of confidence that their personal information is being handled appropriately.*

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For example, in all three countries healthcare providers and banks garner the highest confidence ratings among consumers, while Internet companies receive the lowest confidence ratings. When consumers are asked how important privacy policies are, their relatively strong emphasis on such policies for healthcare companies and banks may be an affirmation of consumer confidence (Exhibit ES-5).

In the Internet sector, the relatively less emphasis is placed on the importance of privacy policies may partly owe to consumers' lack of experience with these types of companies. This is highlighted by the fact that 71% of those who have used a Credit Card on the Internet believe privacy to be very important (compared to 58% of the General Population).

On the other hand, in all three countries the proportion of consumers who say privacy policies are very or somewhat important for Internet companies far exceeds the number of consumers who actually use the Internet to conduct transactions. This suggests a need on the part of businesses to address consumers' concerns about privacy as access to the Internet becomes more widespread, and to reassure those consumers who are not yet online, but are considering it.

## Consumer Attitudes and the Internet

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*7. To a great extent, consumer attitudes about the provision to and protection of personal information by companies that do business on the Internet appear to be shaped both by the*



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*demographics of consumers who use the Internet and the relative lack of experience in dealing with Internet companies among large segments of the population.*

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Of the three countries included in the study, computer use and Internet access is more widespread in the U.S., where two-thirds (66%) of consumers use a computer at home, work, school or elsewhere as compared to just over half (54%) in the U.K. and (51%) in Germany. The proportion of consumers with Internet access, although growing in all three countries, still is limited. The U.S. again takes the lead with 43% of the population having access to the Internet. In the U.K. about one-in-four consumers (28%) have Internet access and, in Germany, the proportion numbers barely one-in-five consumers (18%).

The portion of the population in all three countries who have conducted transactions online is relatively low, but is likely to grow rapidly, in all three countries. For example, a little more than one quarter of American consumers (28%) have used a credit card to pay for goods and services purchased on the Internet. This compares to 19% in the U.K. and 13% in Germany.

In all three countries, the groups that use computers and access the Internet to the greatest extent – younger, more educated, more affluent consumers – also are the consumer groups that have relatively greater levels of confidence in companies that do business on the Internet and think privacy protection policies are important.

The vast majority of online consumers in all three countries use the Internet to retrieve information. In all three countries, retail sites are the sites most frequently visited (Exhibit ES-6).

Among those on the Internet, there is a high level of concern about threats to personal privacy when using the Internet across all three countries. American surfers show the highest level of concern with almost three quarters (72%) being worried followed by Germany (51%) and the U.K. (42%).

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## Online Privacy Behavior

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*8. Online Privacy Behaviors are common among all consumers. U.S. citizens are the most likely to engage in Privacy Protection Behaviors. These activities are also more likely to occur on Financial/Insurance web sites as opposed to Healthcare sites. The high incidence level confirms the concern consumers have with privacy on the Internet.*

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Consumers were most likely to have engaged in Privacy Protection policies on-line in financial sites. Nearly two-thirds (64%) of American consumers have refused to give information at a financial site. Half of Germans (48%) and Britons (47%) have taken similar action (ES-7).

Over half of U.S. consumers have decided not to purchase a product at Financial, Insurance and Retail sites. Levels in the U.K. and Germany were slightly lower, but still higher than 40% (Exhibit ES-8).

Checking for Privacy Notices was slightly lower than the previously mentioned privacy behaviors. However, it was still done by over a third of U.S., U.K. and German consumers at Financial, Insurance and Retail sites (Exhibit ES-9).

Consumers in the U.S. were also the most likely to have seen and read a privacy notice (52%) followed by the U.K. (42%). Only a quarter of German consumers (24%) had read a privacy notice (Exhibit ES-10).

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## Cross-Country Perceptions

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*9. No consensus exists in any of the three countries as to which country has the most effective protection of consumer privacy, with many consumers saying they do not know. However, a plurality of Americans and of Germans who do have an opinion believe their own country has*

*the most effective policies. Some 44% of British citizens think the most effective protections are in the United States or Germany.*

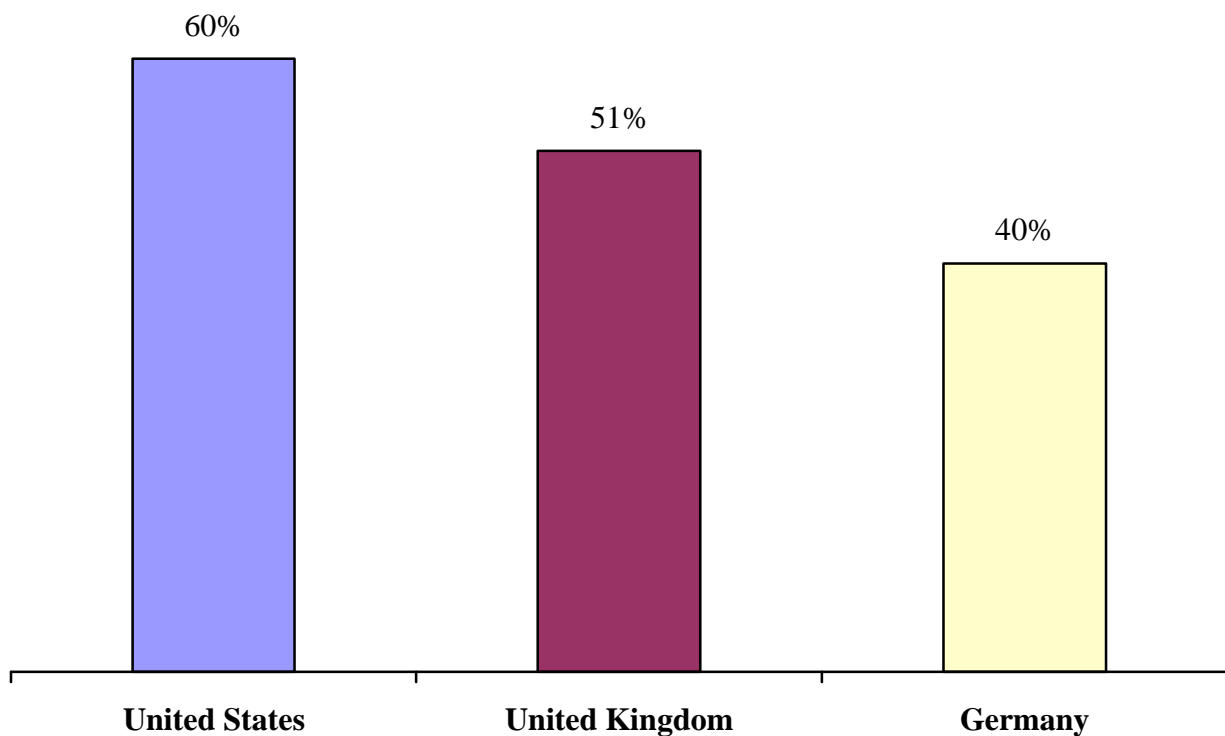
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More than half of Germans (56%) are very or somewhat comfortable with the way in which their government is handling the protection of consumer privacy. This contrasts with 50% of British citizens and 43% of Americans.

The proportion of consumers who say they “don’t know” which country has the most effective protection of consumer privacy on the Internet is quite high in Germany (45%) and the U.K. (35%), but only 16% in the U.S.

**Exhibit ES-1****Opinion about Personalized Marketing**

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

**Percentage saying "Yes, personalized marketing is a good thing."**

**Base:** All respondents: US (n=1,006); UK (n=1,002); Germany (n=1,000)

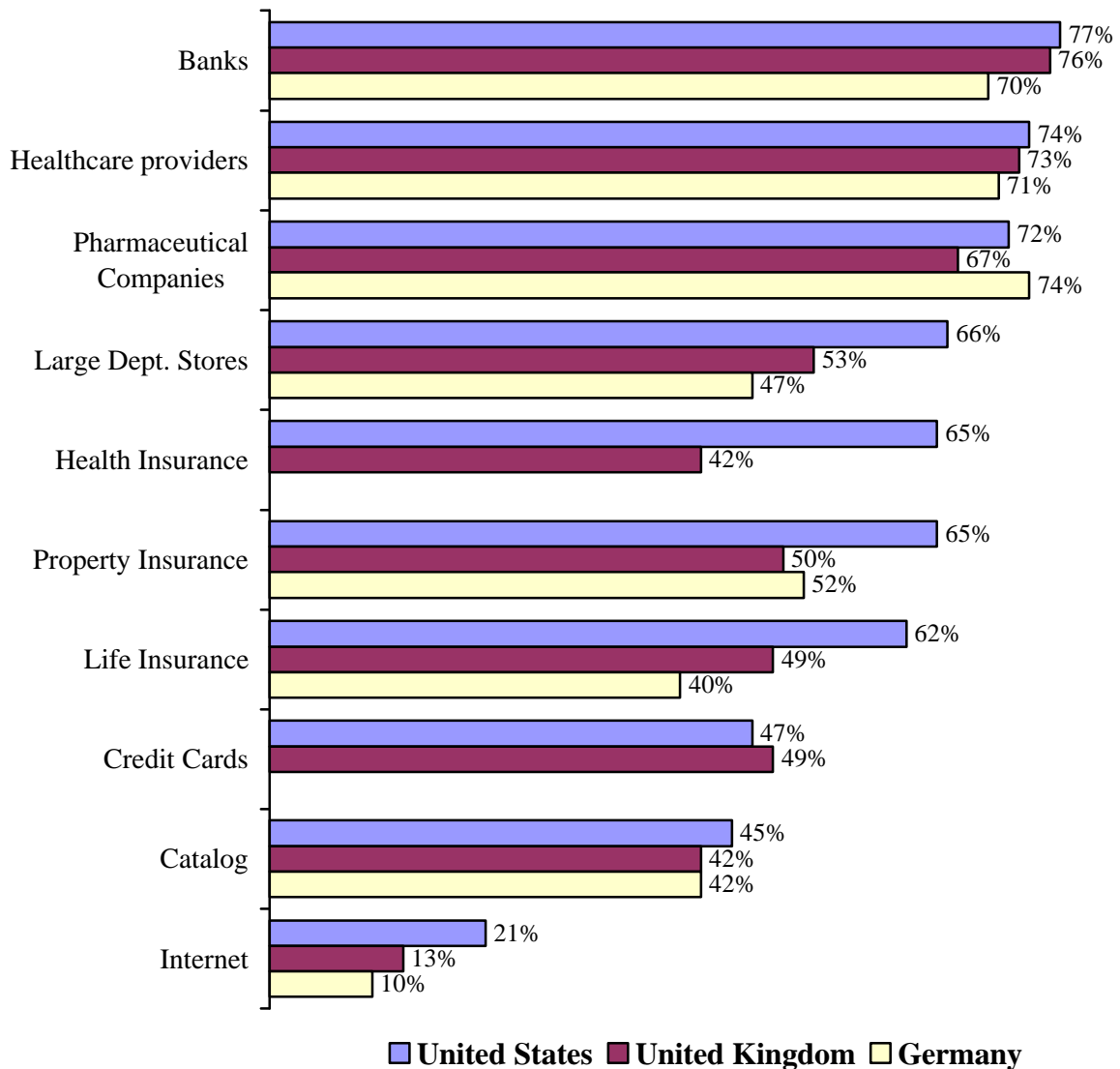
**Ref.:** B5/T58

**Exhibit ES-2**

**Confidence in Various Industries**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

**Percentage saying they are very or somewhat confident**



**Base:** All respondents: US (n=1,006); UK (n=1,002); Germany (n=1,000)

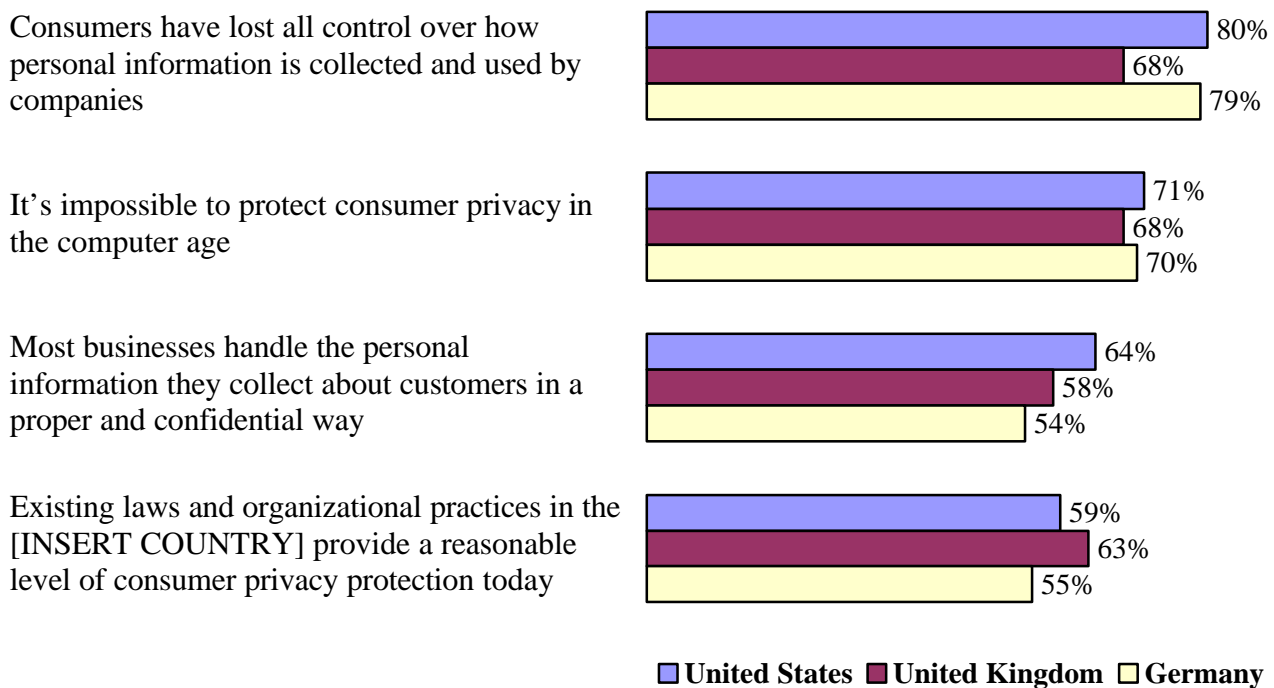
**Ref.:** B5/T17

**Exhibit ES-3**

**OFFLINE Privacy Attitudes**

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

**Percentage saying they strongly or somewhat agree**



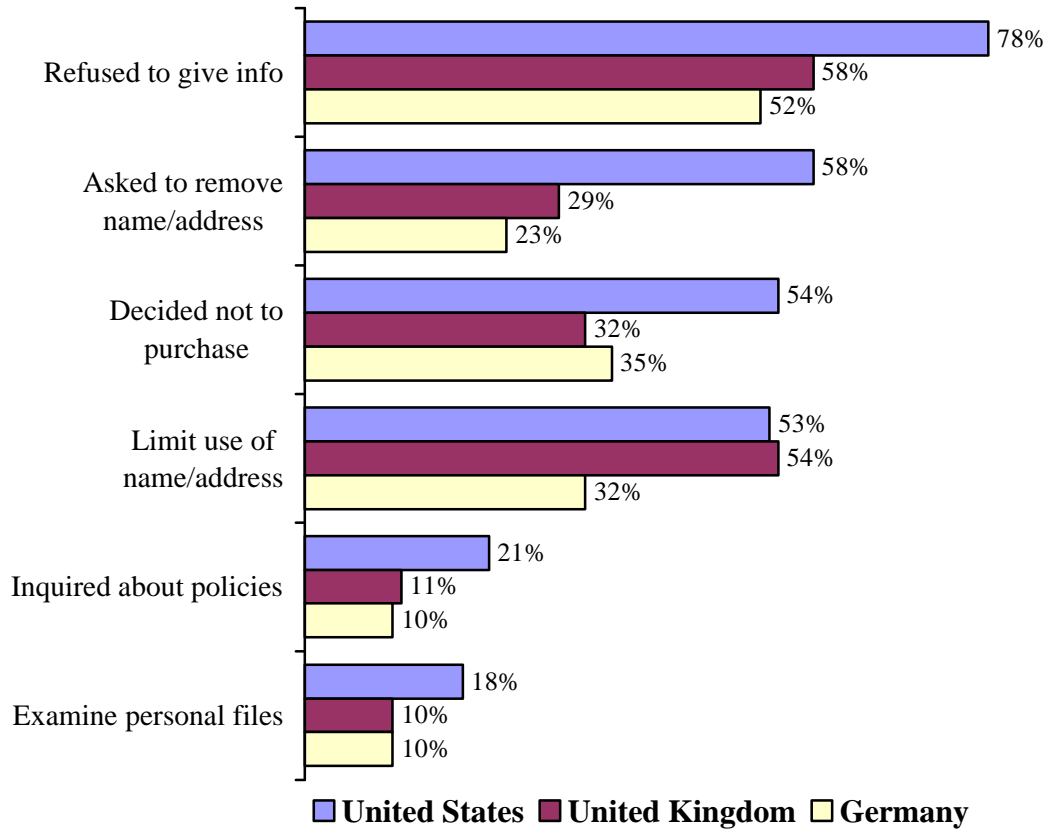
**Base:** All respondents US (1,006); UK (n=1,002); Germany (n=1,000)

**Ref.:** B5/T54

**Exhibit ES-4**

**OFFLINE Privacy Protection Behaviors**

- Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?
  - A. Asked a company to remove your name and address from any lists they use for marketing purposes
  - B. Asked a company not to sell or give your name and address to another company
  - C. Asked a company to see what personal information, besides billing information, they had about you in their customer records
- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal?
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information?



**Base:** All respondents: US (n=1,006); UK (n=1,002), Germany (n=1,000)

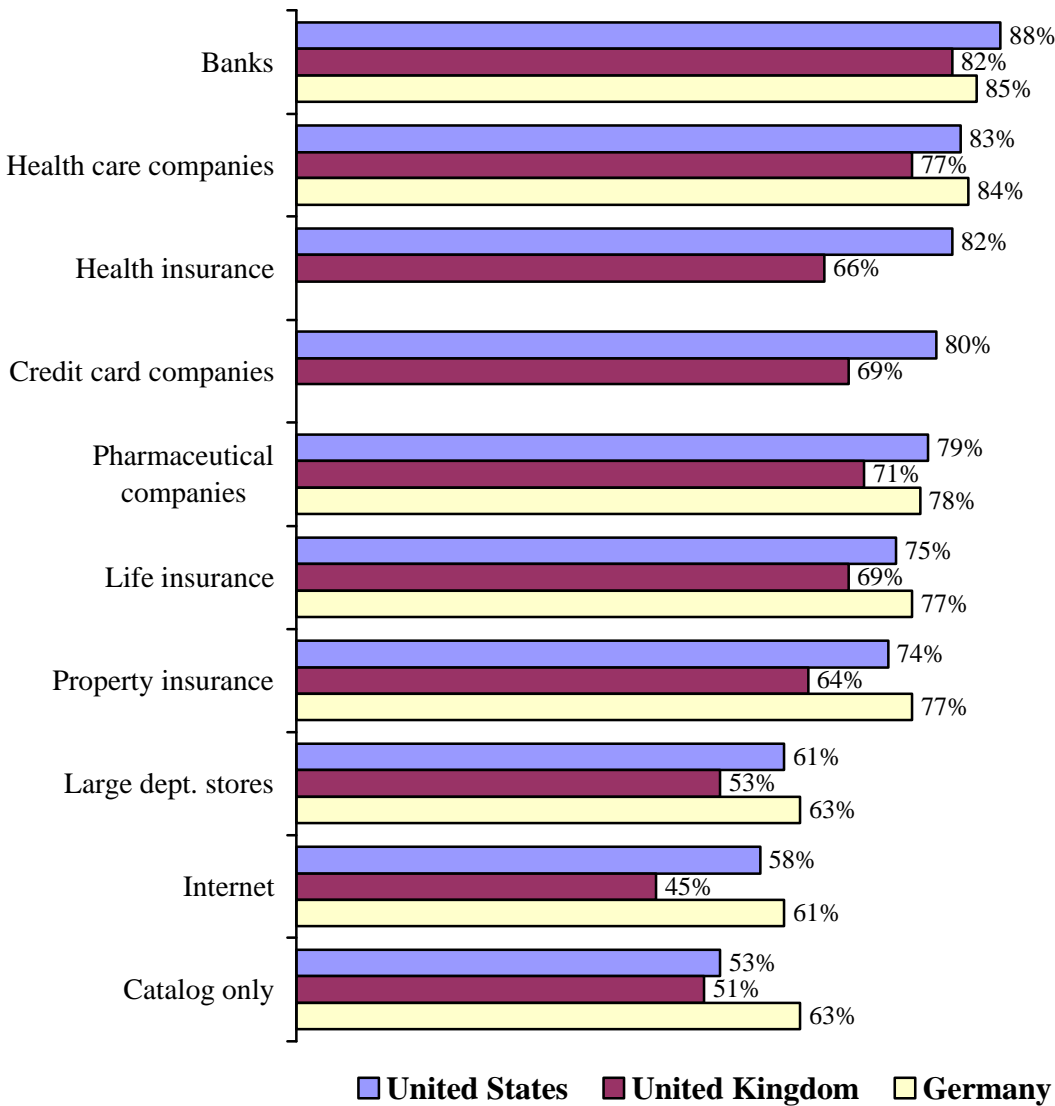
**Ref.:** B5/T70

**Exhibit ES-5**

**Importance of Privacy Protection Policies in Various Industries**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

**Percentage saying very important**



**Base:** All respondents: US (n=1,006); UK (n=1,002); Germany (n=1,000)

**Ref.:** B5/T30

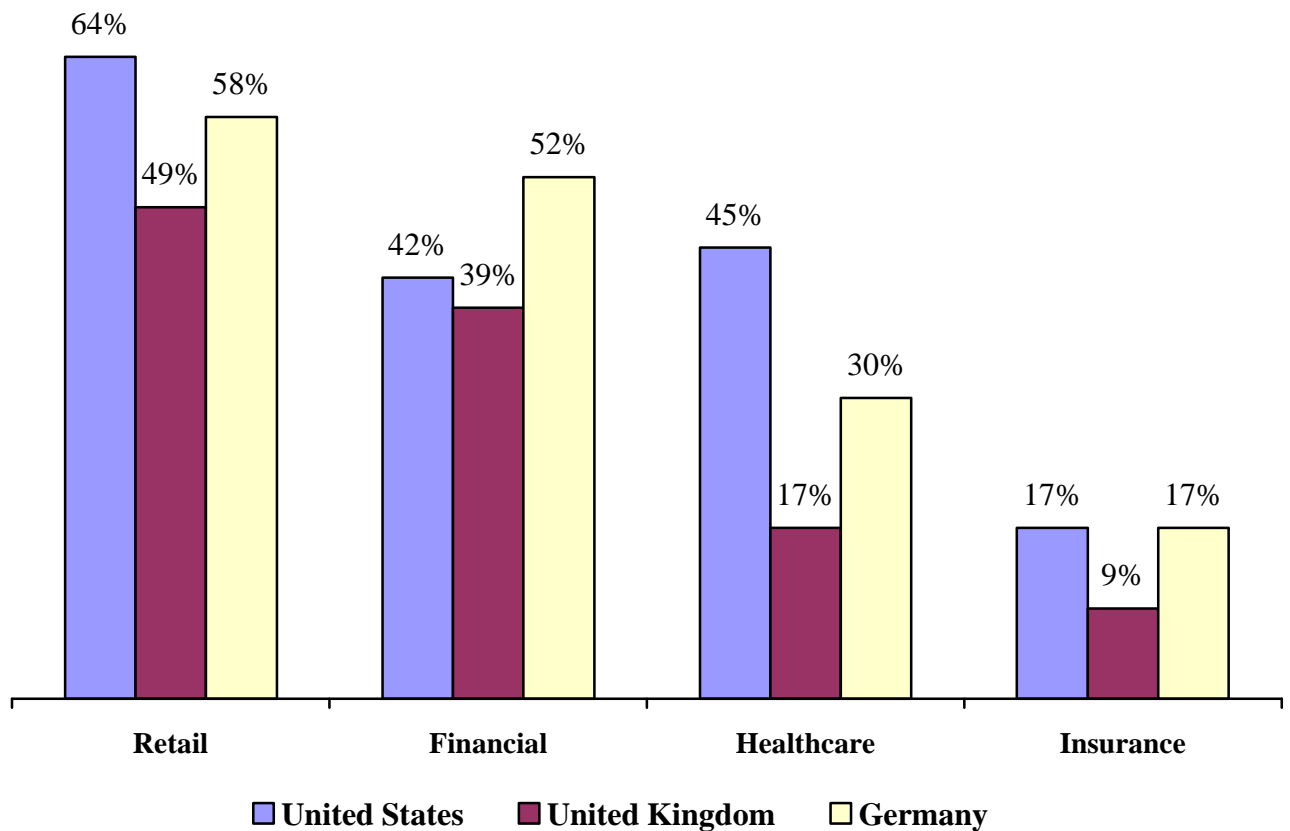


**Exhibit ES-6**

**Types of Web Sites Visited**

- Q. 530 Which of the following Web sites, if any, have you EVER visited?
- A. Sites on health problems, healthcare, drugs, and pharmaceutical products
  - B. Sites on Financial Types, such as banks, credit cards, and investments
  - C. Sites offering any kind of insurance — such as life, health, accident, auto or residential
  - D. Sites from retail stores or catalogs offering consumer products of any kind

**Percentage who have visited each of the four types of site**



**Base:** Access the Internet: US (n= 486); UK (n=299); Germany (n=174)

**Ref.:** B5/T78

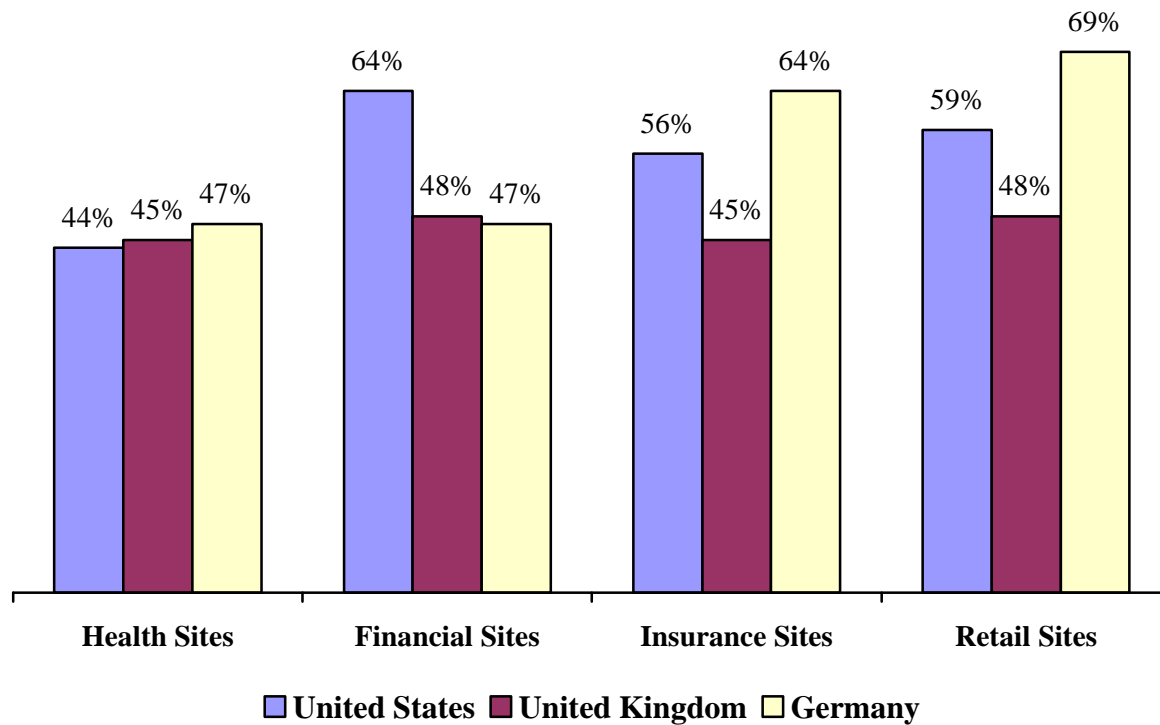
**Exhibit ES-7**

**Refused to Give Information**

Q.550-580 When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems / financial services, such as banks, credit cards, and investments / offering any kind of insurance -- such as life, health, accident, auto, or residential / retail stores or catalogs offering consumer products of any kind* have you EVER (READ EACH ITEM)?

C. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?

**Percentage saying they refused to give information**



**Base:** Varies

	Health Sites	Financial Sites	Insurance Sites	Retail Sites
United States	(n=233)	(n=220)	(n=77)	(n=322)
United Kingdom	(n=56)	(n=116)	(n=30)	(n=140)
Germany	(n=52)	(n=91)	(n=30)	(n=100)

**Ref.:** B5/T83, T88, T93, T98

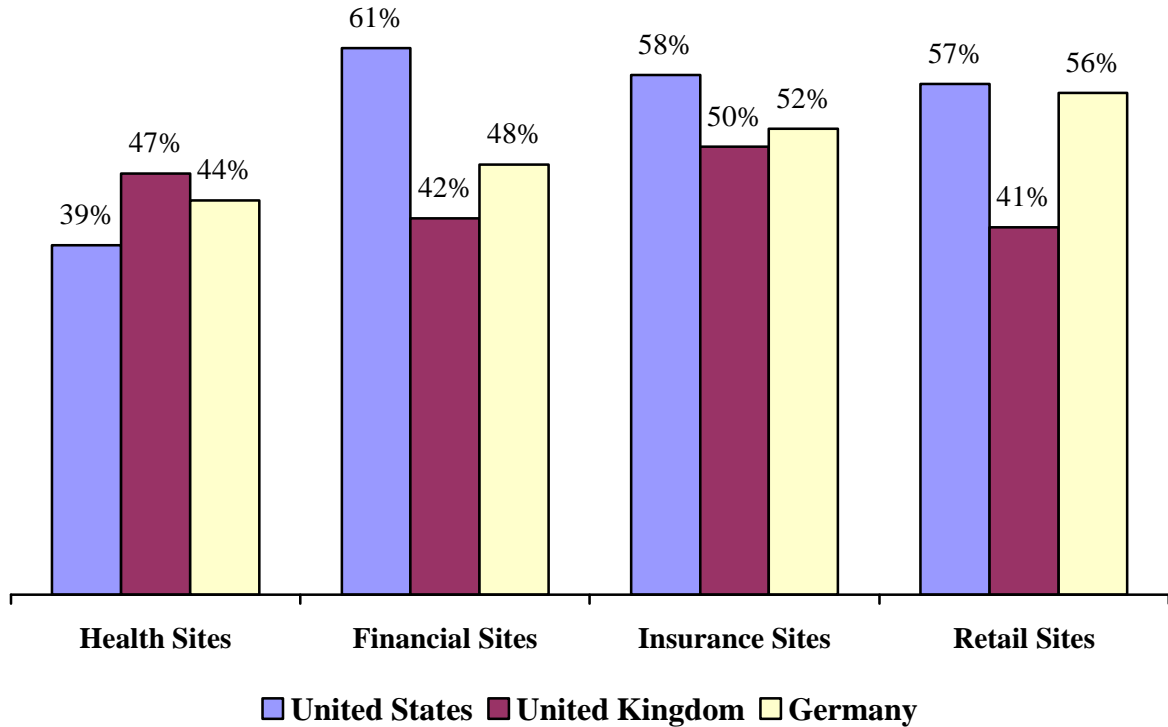
**Exhibit ES-8**

**ONLINE Privacy Protection Behaviors**

Q.550-580 When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems / financial services, such as banks, credit cards, and investments / offering any kind of insurance -- such as life, health, accident, auto, or residential / retail stores or catalogs offering consumer products of any kind* have you EVER (READ EACH ITEM)?

D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

**Percentage saying they decided not to use or purchase**



**Base:** Varies

	Health Sites	Financial Sites	Insurance Sites	Retail Sites
United States	(n=233)	(n=220)	(n=77)	(n=322)
United Kingdom	(n=56)	(n=116)	(n=30)	(n=140)
Germany	(n=52)	(n=91)	(n=30)	(n=100)

**Ref.:** B5/T83, T88. T93. T98

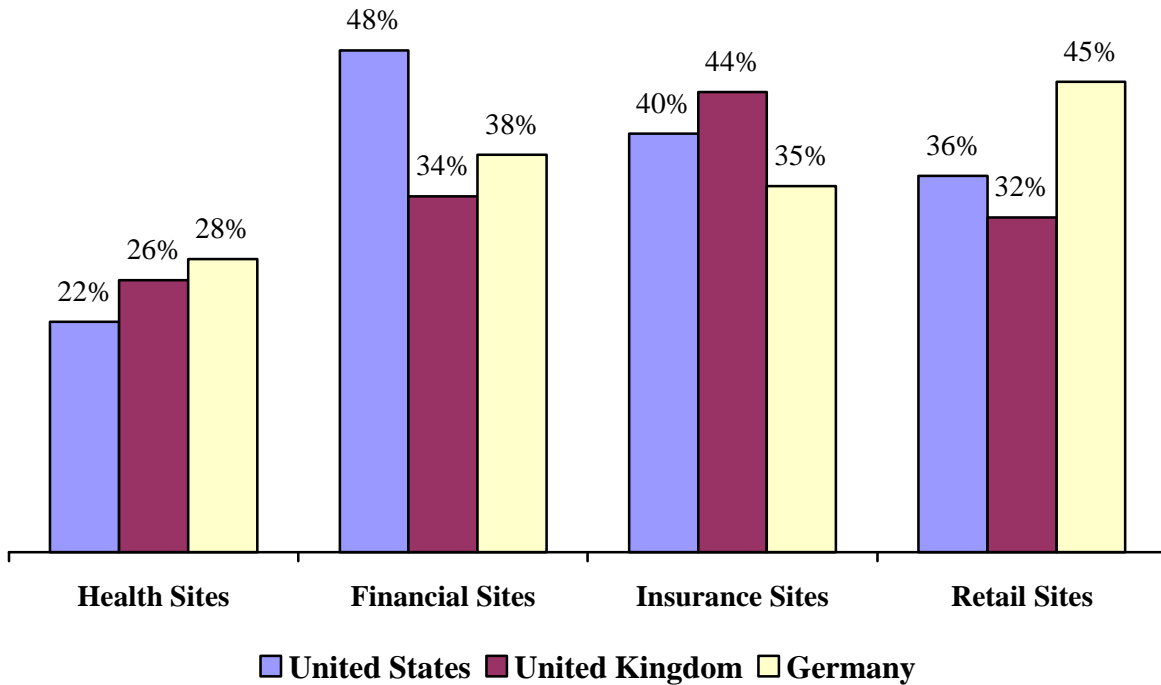
**Exhibit ES- 9**

**ONLINE Privacy Protection Behaviors**

Q.550-580 When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems / financial services, such as banks, credit cards, and investments / offering any kind of insurance -- such as life, health, accident, auto, or residential / retail stores or catalogs offering consumer products of any kind* have you EVER (READ EACH ITEM)?

A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?

**Percentage saying they have checked for privacy notices**



**Base: Varies**

	Health Sites	Financial Sites	Insurance Sites	Retail Sites
United States	(n=233)	(n=220)	(n=77)	(n=322)
United Kingdom	(n=56)	(n=116)	(n=30)	(n=140)
Germany	(n=52)	(n=91)	(n=30)	(n=100)

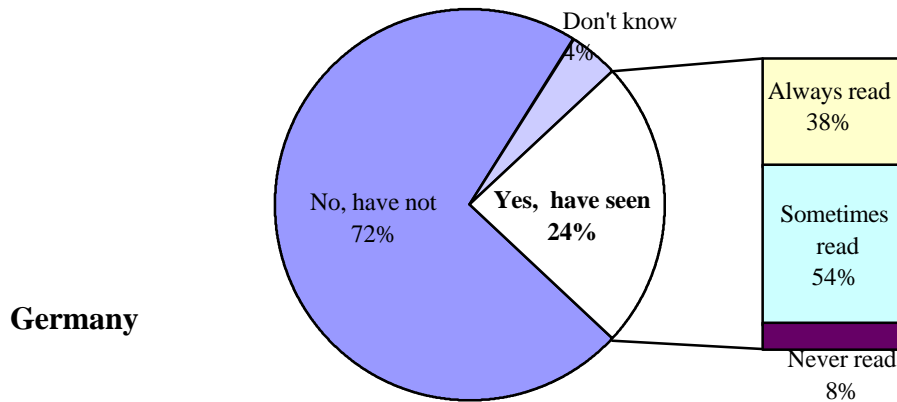
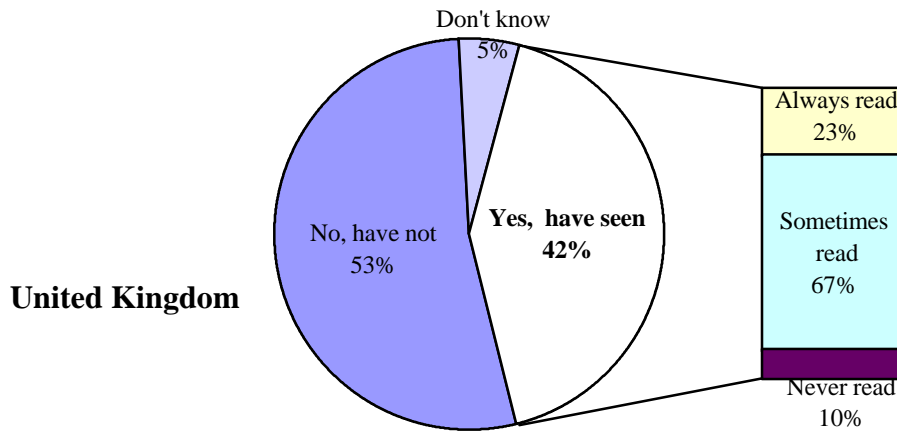
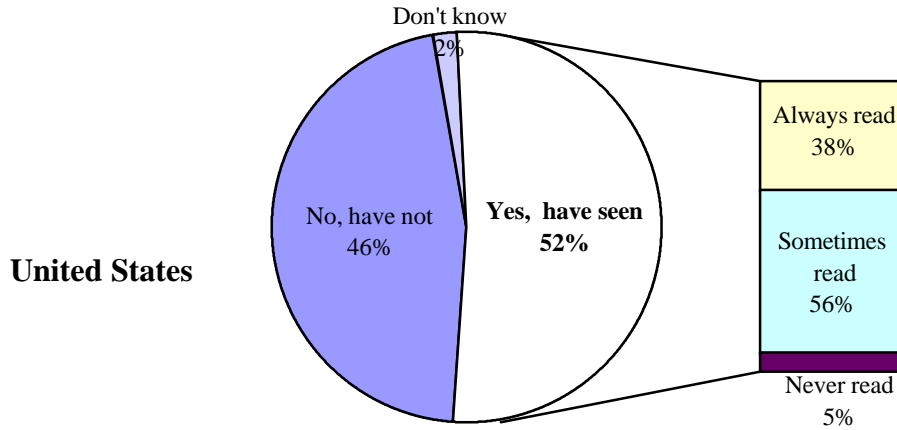
**Ref.:** B5/T83, T88. T93. T98

**Exhibit ES- 10**

**Incidence of Having Seen and Having Read Web site Privacy Notices:**

Q.505 When you visit business Web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?

Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?



Ref.: B5/T71-72

## **Part 1: United States**

## CHAPTER 1 -- ONLINE AND OFFLINE CONSUMER PROFILE

### Consumer Interest and Views of Marketing

Advertisers and marketers spend substantial time, energy, and financial resources developing marketing messages about their products and services. Marketers conceive these messages and view them as important – but how receptive are consumers? When asked about their level of interest in getting information from businesses about new consumer products and services, consumers are almost evenly split, with 48% saying they are very or somewhat interested and 51% declaring they are not very or not at all interested. The level of interest is related to consumers' age, with younger Americans (those under 50 years) more likely to be interested than Americans 50 years or older (49-52% v. 42%). When comparing ethnic groups, African-Americans and Hispanics report greater interest than do Whites (60% and 54% v. 46%) (Table 1.1).

Interestingly, while consumers are split over the level of interest in receiving information about new products and services, the majority of consumers (60%) view personalized marketing -- in which companies gather information about the individual interests and lifestyles of their customers so they can tailor marketing information to personal preferences – as a “good thing” for consumers (Exhibit 1.1).

Along with their general interest in receiving consumer product and service information, younger consumers, especially those under 30, are more likely to take this view about personalized marketing than are consumers over 50 (68% vs. 50%). Also, the perception of personalized marketing as a good thing tends to rise with household income.

Hispanics, at 76%, are the ethnic group most likely to perceive personalized marketing as positive, perhaps reflecting an appreciation of Spanish language marketing materials targeted specifically to their segment of the market (Table 1.2a).

Consumers were asked which of three benefits of personalized marketing is most appealing to them in exchange for providing their personal information: (1) advance information on new products and services, (2) product discounts, or (3) better customer service. Across all the demographic groups, the hierarchy of responses was the same. More than half favor better customer service (53%), followed by product discounts (about 28%), and in last place, advance information on new products and services (15%) (Table 1.2b).

### **Consumer Purchase Behavior**

While more than half of all consumers (56%) report making purchases during the past year from a catalog or brochure sent to their residences, only 12% say they bought a product or service offered through a telephone call to their residence. (In 1998, the incidence of telephone was 17%.)<sup>1</sup>

Females are more likely than males to report purchasing via mail (61% vs. 51%). This is also true of older versus younger consumers, better educated versus less educated consumers, and households with household incomes in excess of \$75,000.

Purchases as a result of a telephone call are relatively low across the board with incidence figures higher among younger and less-educated consumers (Table 1.3).

### **Computer Knowledge and Use**

A little more than half (54%) of the survey respondents perceive themselves as “very” or “somewhat” knowledgeable when it comes to computer technology. Not surprisingly, this perception differs dramatically with age, with almost three quarters of 18-29 year olds (73%) classifying themselves as knowledgeable, dropping to 57% in the 30-49 year-old group, and dropping further still to 37% of those over the age of 50.



Similarly, responses follow the expected trend of computer knowledge increasing with education and household income. About two-thirds of college graduates (66%) and a similar proportion of those with household incomes of more than \$75,000 (69%) report they are very or somewhat knowledgeable about computers. Among ethnic groups, 61% of African-Americans consider themselves knowledgeable as do 58% of Hispanics, while Whites trail at 51% (Table 1.4).

Two-thirds (66%) of Americans say they use a computer at home, work, school or elsewhere, and 43% of the overall total report they access the Internet for e-mail or other purposes. Again, the expected pattern emerges when responses are examined by age, education and household income, with younger, higher educated and higher income respondents more likely to use a computer and access the Internet. The percentages rise to as high as 82% of college grads and 86% of respondents in the highest income households using the computer, and 65% and 68%, respectively, accessing the Internet. Groups reporting the lowest incidence of computer usage are respondents from households with incomes of \$25,000 or less (46%) and 45% of those 50 years or older. Both groups also had corresponding low numbers of respondents accessing the Internet (23% and 28%) (Table 1.5).

### **Surfing the Net**

Of those consumers who access the Internet, the vast majority (90%) report having gone to a web site to obtain information during the past year. However, less than half this number (41%), say they have provided personal information to a web site, such as their date of birth, age or address (Table 1.6a).

Some consumers who surf the Web utilize the Internet in a number of ways to carry out financial transactions. Of those accessing the Internet, 22% report that they have used a credit card to purchase information, and 28% say they used their credit card to purchase goods and services. Roughly half these numbers (14%) have conducted home banking online, while a relatively

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<sup>1</sup> A question similar to the catalog and brochure purchase question was asked in 1997 and 1998. In previous years, however, the question reads "During the past year, have you personally – bought something from a catalog or brochure sent to your residence *or workplace*, or not?" Figures for those years were 68% (1997) and 63% (1998).

small number (5%) use the Internet to invest in the stock market – a perhaps surprising result given the considerable media spotlight focused on the popularity of online trading. In general, less educated and lower income consumers who access the Internet are less likely to engage in all of these online activities (Table 1.6b).

Considering these online activities together, it is possible to classify consumers into Internet user groups. For this study, those consumers who report having gone to web sites to get information are labeled “Information Getters,” those who have given personal information to a web site can be considered “Information Givers,” those who have used a credit card to pay for information or to purchase goods or services on the Internet can be called “Credit Card Purchasers,” and finally, those who do online banking or investing in the stock market can be dubbed “Financial Types.” These categories – which will henceforth be referred to as the “Internet Profile” -- are used throughout this report to examine responses to a variety of attitudinal questions.

### **Online Industry Focus**

When Internet surfers surf, they jump to a variety of web sites. This survey focused on four industries that require and use personal consumer information to complete transactions and to carry out marketing. These four include: (1) the health industry which has been subdivided into companies that are healthcare providers such as hospitals and other healthcare facilities and companies that sell prescription and over-the-counter drug products, (2) the financial services industry which has been subdivided into banks that provide checking and savings accounts and credit card companies, (3) the insurance industry which has been subdivided into companies that sell health insurance, companies that sell life insurance and companies that sell property insurance, and (4) the retail industry which has been subdivided into companies that sell their products and services by catalog only, large department stores, and companies that sell their products and services over the Internet.

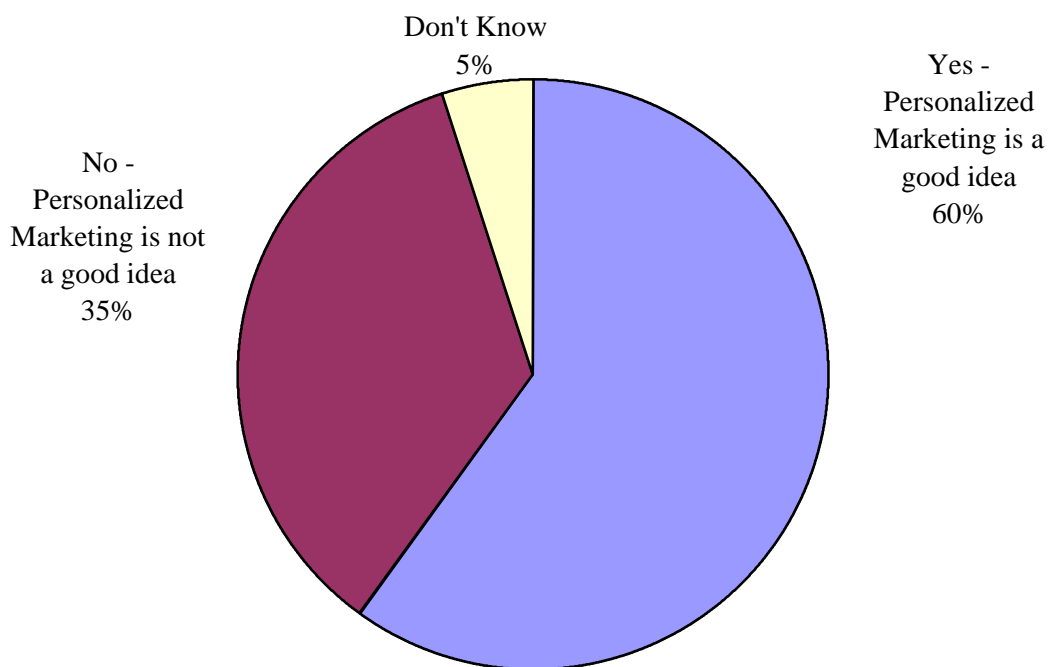
Among these four, the types of sites most frequently visited are retail sites, clicked on by almost two-thirds (64%) of the respondents who access the Internet, followed by health sites and

financial sites, visited by 45% and 42%, respectively. Insurance sites have attracted only 17% of online respondents (Exhibit 1.2).

Interestingly, it is not the oldest web surfers, but those in the 30-49 year-old range, who are more likely to visit health sites (51%). Almost twice as many males than females report visiting financial sites (55% vs. 28%). Insurance sites get relatively few visits from low income households (6%), and retail sites get mouse clicks from almost three-quarters (72%) of respondents in the highest income group (Table 1.7).

**Exhibit 1.1****Opinion about Personalized Marketing**

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

**Personalized marketing is a good thing.**

**Base:** All respondents (n=1,006)

**Table 1.1**

**Interest in Information About New Consumer Products and Services:  
By Key Demographic Groups**

Q.110 In general, how interested are you in getting information from businesses about new consumer products or services – [very interested, somewhat interested, not very interested, or not at all interested]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>11</b>	<b>48</b>	<b>51</b>	<b>27</b>
<b>Sex</b>						
Male	(474)	%	11	48	51	30
Female	(532)	%	11	48	51	23
<b>Age</b>						
18-29 years	(203)	%	12	49	50	18
30-49 years	(418)	%	11	52	46	24
50+ years	(360)	%	9	42	57	35
<b>Education</b>						
HS or Less	(335)	%	11	45	54	29
Some College	(291)	%	12	51	47	25
College Grad +	(370)	%	8	48	51	23
<b>HH Income</b>						
\$25,000 or less	(228)	%	10	46	54	25
\$25,001-\$50,000	(302)	%	12	52	47	24
\$50,001-\$75,000	(149)	%	6	43	57	31
More than \$75,000	(147)	%	11	57	42	23
<b>Race/Ethnicity</b>						
White	(813)	%	9	46	53	29
Black/Afr.Am.	(97)	%	18	60	40	18
Hispanic	(49)	%	21	54	46	25

**Ref.:** B1/T2

Table 1.2a

**Opinion about Personalized Marketing: By Key Demographic Groups**

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

	<b>Base: All Respondents</b>		<b>Yes, is a good thing</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>60</b>
<b>Sex</b>			
Male	(474)	%	58
Female	(532)	%	61
<b>Age</b>			
18-29 years	(203)	%	68
30-49 years	(418)	%	66
50+ years	(360)	%	50
<b>Education</b>			
HS or Less	(335)	%	58
Some College	(291)	%	65
College Grad +	(370)	%	60
<b>HH Income</b>			
\$25,000 or less	(228)	%	61
\$25,001- \$50,000	(302)	%	62
\$50,001- \$75,000	(149)	%	68
More than \$75,000	(147)	%	68
<b>Race/Ethnicity</b>			
White	(813)	%	60
Black/Afr.Am.	(97)	%	59
Hispanic	(49)	%	76

**Ref.:** B1/T58

Table 1.2b

**The Appeal of Various Consumer Benefits in Exchange for Providing Personalized Information:  
By Key Demographic Groups**

- Q.355 In addition to customizing their marketing based on a consumer's particular interests and lifestyle, companies that engage in personalized marketing can also provide other benefits to consumers. Which ONE of the following THREE consumer benefits sounds MOST appealing to you in exchange for providing your personal information?
- A. Advance information on new products and services
  - B. Product discounts
  - C. Better customer service

	<b>Base: Personalized Marketing Is Good</b>		<b>Better customer service</b>	<b>Product discounts</b>	<b>Advance information</b>
<b>Total</b>	<b>(604)</b>	<b>%</b>	<b>53</b>	<b>28</b>	<b>15</b>
<b>Sex</b>					
Male	(278)	%	56	21	21
Female	(326)	%	51	35	10
<b>Age</b>					
18-29 years	(143)	%	53	27	19
30-49 years	(268)	%	50	30	17
50+ years	(186)	%	60	24	11
<b>Education</b>					
HS or Less	(195)	%	55	28	16
Some College	(184)	%	50	27	17
College Grad +	(223)	%	53	30	13
<b>HH Income</b>					
\$25,000 or less	(144)	%	52	30	15
\$25,001-\$50,000	(186)	%	49	30	19
\$50,001-\$75,000	(98)	%	58	24	17
More than \$75,000	(97)	%	56	26	13
<b>Race/Ethnicity</b>					
White	(488)	%	54	29	14
Black/Afr.Am.	(64)	%	63	24	10
Hispanic	(35)	%	45	28	26

**Ref.:** B1/T59

Table 1.3

## Past Year Purchase Behavior Offline: By Key Demographic Groups

Q.135 During the past year, have you personally (READ EACH ITEM), [or not]?

A: Bought something from a catalog or brochure sent to your residence

B: Bought any product or service offered to you by a telephone call to your residence.

	<b>Base: All Respondents</b>		<b>Bought by mail</b>	<b>Bought by telephone</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>56</b>	<b>12</b>
<b>Sex</b>				
Male	(474)	%	51	10
Female	(532)	%	61	13
<b>Age</b>				
18-29 years	(203)	%	54	15
30-49 years	(418)	%	55	13
50+ years	(360)	%	60	7
<b>Education</b>				
HS or Less	(335)	%	50	13
Some College	(291)	%	60	12
College Grad +	(370)	%	66	8
<b>HH Income</b>				
\$25,000 or less	(228)	%	44	10
\$25,001-\$50,000	(302)	%	56	15
\$50,001-\$75,000	(149)	%	59	10
More than \$75,000	(147)	%	74	16
<b>Race/Ethnicity</b>				
White	(813)	%	58	11
Black/Afr.Am.	(97)	%	54	17
Hispanic	(49)	%	51	15
Total (1998) <sup>1</sup>	(1,008)	%	63	17
Total (1997) <sup>2</sup>	(1,009)	%	68	-

**Ref.:** B1/T3,4

<sup>1</sup> *Privacy Concerns of Consumer Choice* 1998.

<sup>2</sup> *Commerce, Communication, and Privacy Online* 1997.



Table 1.4

**Technology Knowledge: By Key Demographic Groups**

Q.105 How knowledgeable would you say you are when it comes to computer technology – [very knowledgeable, somewhat knowledgeable, not very knowledgeable, or not at all knowledgeable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>10</b>	<b>54</b>	<b>46</b>	<b>24</b>
<b>Sex</b>						
Male	(474)	%	14	58	42	23
Female	(532)	%	6	50	50	24
<b>Age</b>						
18-29 years	(203)	%	10	73	27	9
30-49 years	(418)	%	12	57	43	19
50+ years	(360)	%	7	37	63	40
<b>Education</b>						
HS or Less	(335)	%	6	46	54	31
Some College	(291)	%	9	58	42	19
College Grad +	(370)	%	17	66	34	12
<b>HH Income</b>						
\$25,000 or less	(228)	%	9	41	59	37
\$25,001-\$50,000	(302)	%	7	60	40	20
\$50,001-\$75,000	(149)	%	11	59	41	14
More than \$75,000	(147)	%	18	69	31	12
<b>Race/Ethnicity</b>						
White	(813)	%	9	51	49	25
Black/Afr.Am.	(97)	%	12	61	39	25
Hispanic	(49)	%	8	58	42	19

**Ref.:** B1/T1

**Table 1.5****Computer and Internet Use: By Key Demographic Groups**

- Q.163 Do you use a computer at home, at work, at school, or any other place, [or not]?
- Q.165 Do you currently access the Internet for e-mail or any other purpose, either at home, work, or school, or any other place, ONCE A MONTH OR MORE, [or not]?
- Q.170 Excluding e-mail, how many hours per week, on average, do you typically spend on the Internet/Web? If you are not sure of the exact number, please try to estimate.

	<b>Base: All Respondents</b>		<b>Yes, use computer</b>	<b>Yes, access the Internet</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>66</b>	<b>43</b>
<b>Sex</b>				
Male	(474)	%	68	47
Female	(532)	%	64	39
<b>Age</b>				
18-29 years	(203)	%	82	54
30-49 years	(418)	%	72	48
50+ years	(360)	%	45	28
<b>Education</b>				
HS or Less	(335)	%	53	30
Some College	(291)	%	76	47
College Grad +	(370)	%	82	65
<b>HH Income</b>				
\$25,000 or less	(228)	%	46	23
\$25,001-\$50,000	(302)	%	72	41
\$50,001-\$75,000	(149)	%	80	69
More than \$75,000	(147)	%	86	68
<b>Race/Ethnicity</b>				
White	(813)	%	65	44
Black/Afr.Am.	(97)	%	61	34
Hispanic	(49)	%	68	37

**Ref.:** B1/T34,35a

Table 1.6a

## Information Exchange Online: By Key Demographic Groups

Q.180 During the past year have you personally (READ EACH ITEM)?

- A. Gone to a web site to get information  
 B. Provided personal information to a web site, such as your date of birth, your age, or your address

	<b>Base:</b> <b>Access the</b> <b>Internet</b>		<b>Yes, have:</b>	
			<b>Gone to get</b> <b>information</b>	<b>Provided</b> <b>information</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>90</b>	<b>41</b>
<b>Sex</b>				
Male	(249)	%	90	45
Female	(237)	%	89	36
<b>Age</b>				
18-29 years	(123)	%	91	48
30-49 years	(231)	%	89	41
50+ years	(119)	%	87	34
<b>Education</b>				
HS or Less	(98)	%	89	34
Some College	(135)	%	85	41
College Grad +	(244)	%	93	51
<b>HH Income</b>				
\$25,000 or less	(58)	%	96	38
\$25,001-\$50,000	(147)	%	87	37
\$50,001-\$75,000	(101)	%	88	45
More than \$75,000	(105)	%	89	48

Ref.: B1/T37, 38

Table 1.6b

## Financial Transactions Online: By Key Demographic Groups

- Q.180 During the past year have you personally (READ EACH ITEM)?
- C. Used a credit card to pay for information purchased on the Internet
  - D. Used a credit card to pay for goods or services purchased on the Internet
  - E. Conducted home banking online such as checking balances or paying bills online
  - F. Invested in the stock market online or traded stocks online

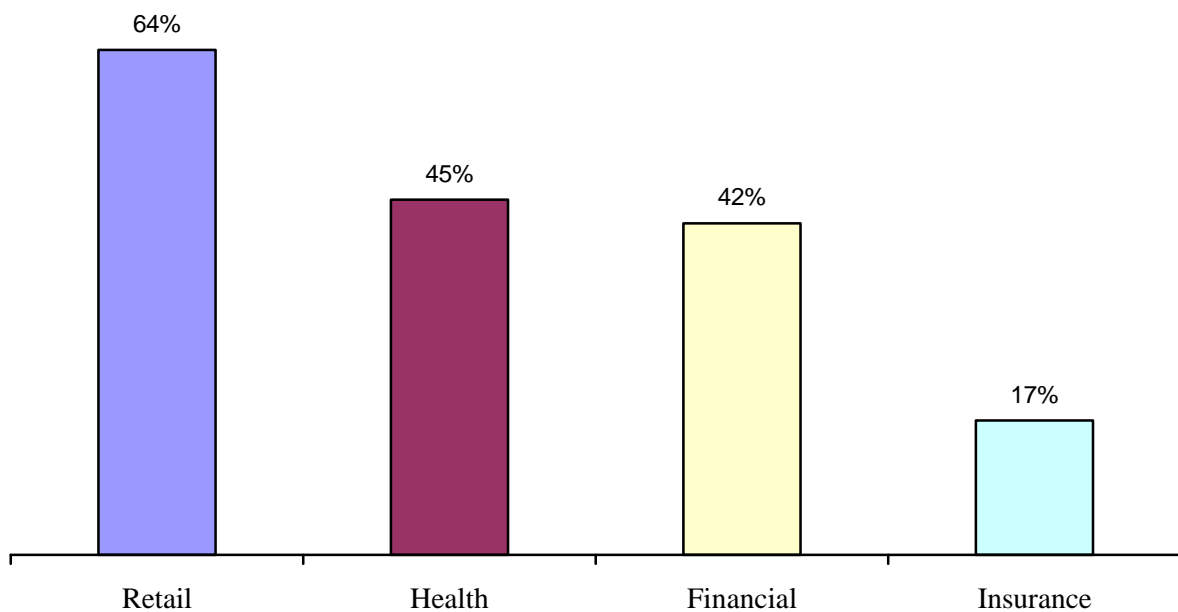
	Base: Access the Internet	%	Yes, have:			
			Used credit card for information	Used credit card for goods/services	Conducted home banking	Invested in stock market
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>22</b>	<b>28</b>	<b>14</b>	<b>5</b>
<b>Sex</b>						
Male	(249)	%	26	33	17	7
Female	(237)	%	17	23	10	3
<b>Age</b>						
18-29 years	(123)	%	19	24	15	5
30-49 years	(231)	%	25	33	16	6
50+ years	(119)	%	17	23	7	3
<b>Education</b>						
HS or Less	(98)	%	19	28	8	2
Some College	(135)	%	18	19	10	4
College Grad +	(244)	%	29	37	21	9
<b>HH Income</b>						
\$25,000 or less	(58)	%	13	9	8	1
\$25,001-\$50,000	(147)	%	22	29	12	4
\$50,001-\$75,000	(101)	%	24	33	15	7
More than \$75,000	(105)	%	34	45	21	9

Ref.: B1/T39,40, 41, 42

**Exhibit 1.2****Types of Web Sites Visited**

Q. 530 Which of the following Web sites, if any, have you EVER visited?

- A. Sites on health problems, healthcare, drugs, and pharmaceutical products
- E. Sites on Financial Types, such as banks, credit cards, and investments
- F. Sites offering any kind of insurance — such as life, health, accident, auto or residential
- G. Sites from retail stores or catalogs offering consumer products of any kind



**Base:** Access to the Internet (n=486)

**Table 1.7****Types of Web sites Visited: By Key Demographic Groups**

Q. 530 Which of the following Web sites, if any, have you EVER visited?

- A. Sites on health problems, healthcare, drugs, and pharmaceutical products
- H. Sites on Financial Types, such as banks, credit cards, and investments
- I. Sites offering any kind of insurance — such as life, health, accident, auto or residential
- J. Sites from retail stores or catalogs offering consumer products of any kind

	<b>Base: Access the Internet</b>		<b>Yes, have visited type of site:</b>			
			<b>Health</b>	<b>Financial Types</b>	<b>Insurance</b>	<b>Retail</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>45</b>	<b>42</b>	<b>17</b>	<b>64</b>
<b>Sex</b>						
Male	(249)	%	43	55	21	68
Female	(237)	%	48	28	12	60
<b>Age</b>						
18-29 years	(123)	%	43	38	17	65
30-49 years	(231)	%	51	45	20	68
50+ years	(119)	%	41	36	12	52
<b>Education</b>						
HS or Less	(98)	%	41	35	17	64
Some College	(135)	%	45	32	15	59
College Grad +	(244)	%	51	56	18	69
<b>HH Income</b>						
\$25,000 or less	(58)	%	41	25	6	58
\$25,001-\$50,000	(147)	%	50	42	23	62
\$50,001-\$75,000	(101)	%	45	43	18	67
More than \$75,000	(105)	%	48	58	19	72

**Ref.:** B1/T78

## Chapter 2: Consumers' Industry Confidence

Providing personal information is becoming an almost routine part of making ordinary consumer purchases. But, as requests for personal information on the part of businesses' increase, how comfortable are consumers in providing that information and how confident are they that their personal information is handled appropriately? This survey looked in some detail at consumer attitudes towards the healthcare, financial, insurance and retail industries -- businesses that are major requestors and users of personal consumer information.

### Industry Comparison of Consumer Confidence Levels

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As noted in the previous chapter, this survey examined four major industries – health, financial services, insurance and retail – and a total of 10 sectors within those industries. In a sector-by-sector comparison of the degree of confidence consumers have that their personal information is handled properly and confidentially, banks engendered the highest degree of trust among consumers, with 77% reporting they are “very” or “somewhat” confident. This was closely followed by healthcare providers such as hospitals and other healthcare facilities, and by companies that sell prescription and over-the-counter drug products, at 74% and 72%, respectively.

Almost equal numbers – about two-thirds -- of consumers say they are very or somewhat confident about their personal information being given to health insurance companies (65%), companies that sell accident, auto and residential insurance (65%), and large department stores (66%).

Faring less well, with less than half of consumers reporting confidence, are credit card companies and companies that sell their products and services by catalog only, at 47% and 45% confidence levels.

Far down at the bottom of the list are companies that sell their products and services over the Internet. Only 21% are very or somewhat confident – and indeed only 3% of these are in the “very” category – about the handling of their personal information by companies that do business exclusively on the Web (Table 2.1 and Exhibits 2.1 and 2.2).

## **A Closer Look at Industry Segments and Respondent Groups**

### ***Healthcare Industry***

Looking at the health care industry in depth, it is notable that both healthcare providers and pharmaceutical companies are held in almost equally high regard among consumers in terms of the confidence consumers have in how these businesses handle their personal information. This high degree of confidence declines with age and, to a lesser extent, household income.

Confidence levels drop with age from a high of 83% among 18–29 year olds to 76% for 30-49 year olds, to 66% for those 50 and older. This decline in confidence may coincide with the increased use of these types of businesses by consumers as they age (Table 2.2).

### ***Financial Services Industry***

In contrast to the fairly uniform responses regarding the two sectors in the healthcare industry, the two sectors in the financial services industry – banks and credit card companies – fare very differently overall, with banks garnering 77% consumer confidence and credit cards 47%.

However, within each of the two sectors, the variation across demographic groups are, for the most part, slight and follow roughly the same pattern. For example, in both cases, younger consumers are more trusting than older consumers, although the difference is straight-line and steeper for banks (Table 2.3).

### ***Insurance Industry***

Across the three segments of the insurance industry examined in the survey – health, life, property -- confidence levels are at or close to 65%. In all three cases there is some decline in confidence based on age which is more precipitous across income levels. Of particular note, are



the confidence levels in the health and property insurance industries that drop from almost three-quarters among consumers with household income of \$25,000 or less to less than 60% confidence in the health insurance industry and less than 50% confidence in the property insurance industry for those consumers with household income of more than \$75,000 (Table 2.4).

### ***Retail Industry***

When retail establishments are compared, dramatic differences emerge among the three industry segments – catalog sales, department stores, and Internet sales. Overall confidence levels for the three are 45%, 66%, and 21%, respectively. The fact that confidence levels are the highest for the department store segment suggests that face-to-face interaction may play some role in engendering consumer confidence in the retail arena. Also, of the three industry sectors, department stores are the most established, followed by catalogs, and -- the relative newcomer -- the Internet. Familiarity with the different types of retail entities also is a possible explanation for the disparity in confidence reported by consumers.

The decline in confidence among income groups that was present in the healthcare, financial, and insurance industries, does not occur in the retail industry, where variation of confidence by household income is flat in all three retail segments.

The lack of confidence by older consumers is evident in all three segments, but is the most stark for the Internet sales companies. While a third (34%) of consumers age 18-29 are very or somewhat confident about the handling of their personal information, only 12% of the over 50 age group share that sentiment (Table 2.5a).

In summary, aside from the differences just noted, demographic differences across all the types of industries are not enormous. Overall, however, confidence in all of the industries does tend to decline to varying degrees as household income and age go up – an indicator, perhaps, of the role of experience in shaping perceptions in the life of the consumer.

## A Closer Look at the Retail Industry

Consumer confidence in the retail industry segments also was dissected by some of the key consumer attitudes and behaviors discussed in Chapter 1. In general, those respondents who are somewhat more “active” consumers – i.e., who say they are interested in new product and service information, have made a purchase in the last year by catalog or by telephone, and who think personalized marketing is a good thing – tend to have higher confidence levels in all three retail segments than do other consumers. Still, the overall trend of these groups follows the pattern described earlier. Department stores engender the greatest confidence followed by catalog sales, and a relatively poor showing for Internet companies (Table 2.5b).

The Department Stores have gained the confidence of consumers through their “reputation”<sup>1</sup> and “their care and concern for patrons in the store.”<sup>2</sup> Businesses who sell by catalog only have earned the confidence through being “less invasive and asking for less personal information.”<sup>3</sup> However, other consumers have found that “if you order from a catalog company you are inundated with other catalogs.”<sup>4</sup> Businesses who sell over the Internet have lower levels of consumer confidence due in part to “the volume of junk e-mail I receive”<sup>5</sup> and also hearing “a lot of bad things in the media”<sup>6</sup> and “[hearing] so many stories about people not getting what they ordered or having stuff charged to their credit card, makes me nervous.”<sup>7</sup>

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<sup>1</sup> Respondent 039448

<sup>2</sup> Respondent 027094

<sup>3</sup> Respondent 029457

<sup>4</sup> Respondent 022878

<sup>5</sup> Respondent 025815

<sup>6</sup> Respondent 018444

<sup>7</sup> Respondent 021490

**Table 2.1****Confidence in Various Industries**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

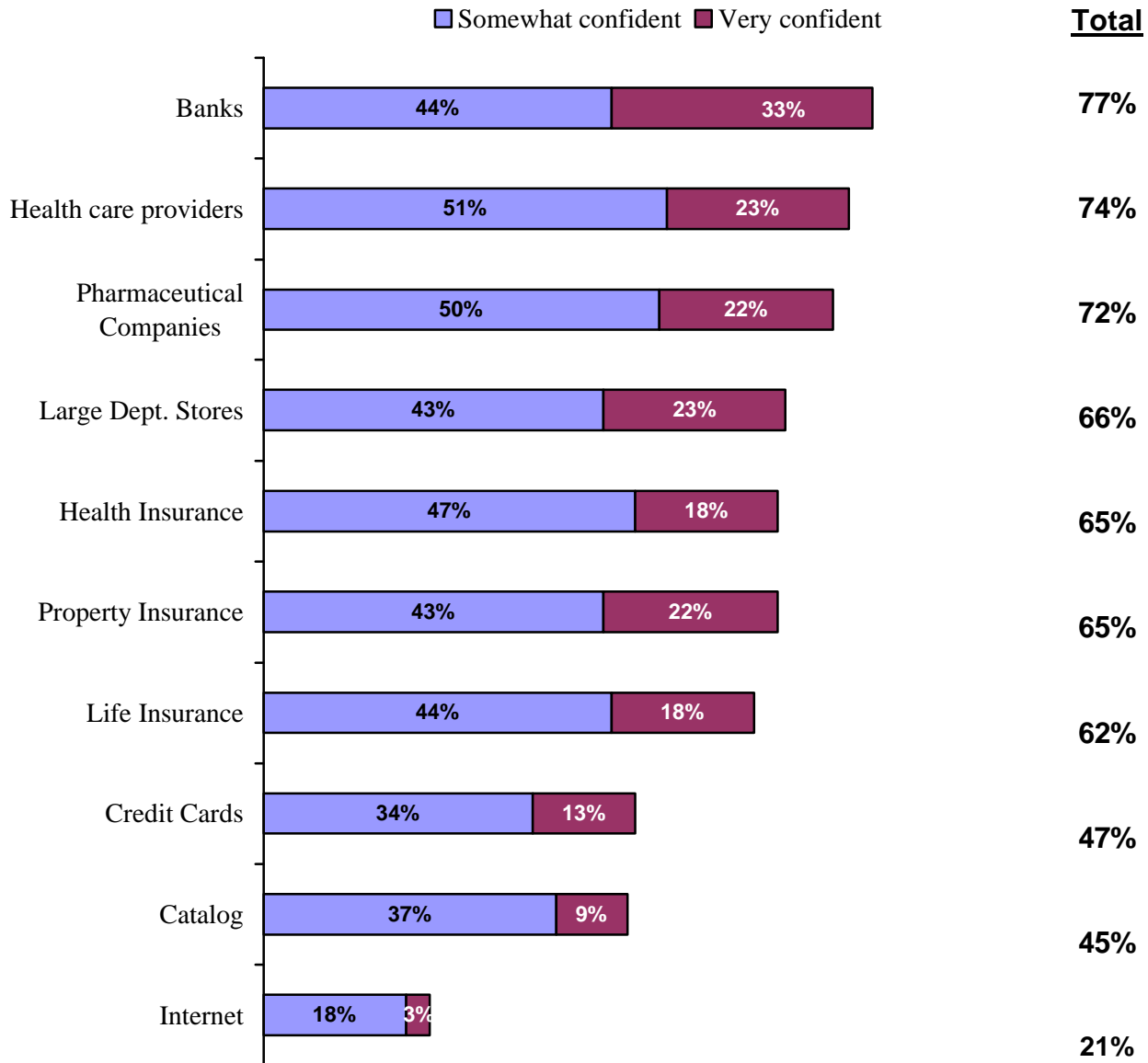
	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Banks</b> that provide checking and savings accounts	(1006)	%	33	77	21	9
<b>Healthcare providers</b> such as hospitals and other healthcare facilities	(1006)	%	23	74	23	9
Companies that sell <b>prescription and over-the-counter drug products</b>	(1006)	%	22	72	24	10
<b>Large department stores</b> such as Macy's or Sears	(1006)	%	23	66	29	13
<b>Health insurance</b> companies	(1006)	%	18	65	31	14
<b>Property insurance</b> companies, such as companies that sell accident, auto, and residential insurance	(1006)	%	22	65	31	12
<b>Life insurance</b> companies	(1006)	%	18	62	30	13
<b>Credit card</b> companies	(1006)	%	13	47	46	21
Companies that sell their products and services by <b>catalog</b> only	(1006)	%	9	45	49	21
Companies that sell their products and services over the <b>Internet</b>	(1006)	%	3	21	56	30

**Ref.:** B1/T6-15

**Exhibit 2.1**

**Confidence in Various Industries**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

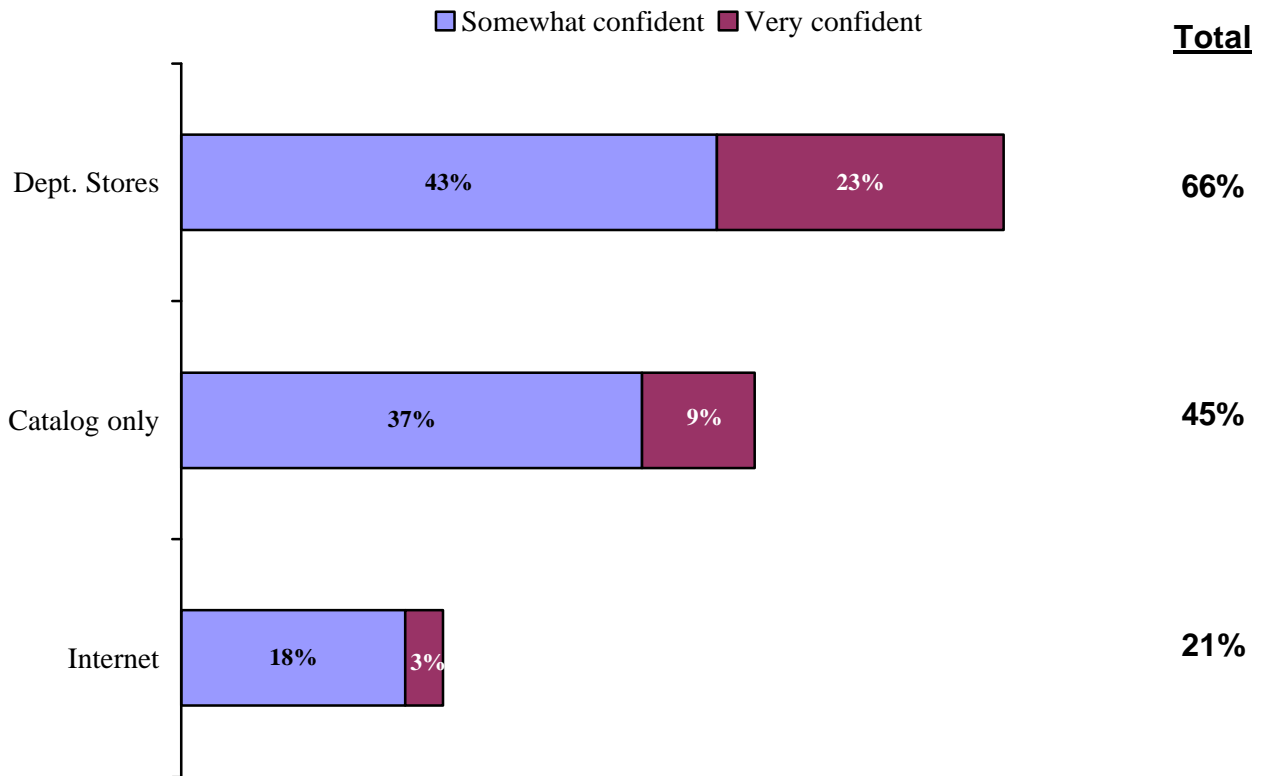


**Base:** All respondents (n=1,006)

**Exhibit 2.2**

**Confidence in Retail Industry**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- H. Companies that sell their products and services by catalog only
  - I. Large department stores such as Macy’s or Sears
  - J. Companies that sell their products and services over the Internet



**Base:** All respondents (n=1,006)

**Table 2.2**

**Confidence in Healthcare Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- A. Healthcare providers such as hospitals and other healthcare facilities
- B. Companies that sell prescription and over-the-counter drug products

	Base: All Respondents	%	Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>		<b>23</b>	<b>74</b>	<b>22</b>	<b>72</b>
<b>Sex</b>						
Male	(474)	%	23	73	25	70
Female	(532)	%	24	75	20	74
<b>Age</b>						
18-29 years	(203)	%	35	83	29	80
30-49 years	(418)	%	21	76	22	76
50+ years	(360)	%	20	66	19	62
<b>Education</b>						
HS or Less	(335)	%	23	75	24	74
Some College	(291)	%	27	77	25	72
College Grad +	(370)	%	21	71	16	68
<b>HH Income</b>						
\$25,000 or less	(228)	%	28	78	22	80
\$25,001-\$50,000	(302)	%	22	75	25	75
\$50,001-\$75,000	(149)	%	22	75	28	71
More than \$75,000	(147)	%	21	72	14	70

**Ref.:** B1/T6,7

Table 2.3

**Confidence in Financial Types Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- C. Banks that provide checking and savings accounts
- D. Credit card companies

	Base: All Respondents		Banks		Credit Card Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>33</b>	<b>77</b>	<b>13</b>	<b>47</b>
<b>Sex</b>						
Male	(474)	%	36	75	16	45
Female	(532)	%	30	79	11	48
<b>Age</b>						
18-29 years	(203)	%	42	85	16	57
30-49 years	(418)	%	29	77	12	43
50+ years	(360)	%	35	74	13	46
<b>Education</b>						
HS or Less	(335)	%	35	77	15	47
Some College	(291)	%	31	79	11	45
College Grad +	(370)	%	32	75	12	47
<b>HH Income</b>						
\$25,000 or less	(228)	%	36	79	14	45
\$25,001-\$50,000	(302)	%	35	81	15	53
\$50,001-\$75,000	(149)	%	37	80	18	52
More than \$75,000	(147)	%	25	70	10	42

Ref.: B1/T8,9

**Table 2.4**

**Confidence in Insurance Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- E. Health insurance companies
- F. Life insurance companies
- G. Property insurance companies, such as companies that sell accident, auto, and residential insurance

	Base: All Respondents	%	Insurance Companies					
			Health		Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>		<b>18</b>	<b>65</b>	<b>18</b>	<b>62</b>	<b>22</b>	<b>65</b>
<b>Sex</b>								
Male	(474)	%	18	63	16	61	20	63
Female	(532)	%	19	67	20	63	23	68
<b>Age</b>								
18-29 years	(203)	%	25	78	23	68	25	75
30-49 years	(418)	%	16	66	18	64	19	65
50+ years	(360)	%	17	58	17	57	25	61
<b>Education</b>								
HS or Less	(335)	%	21	69	20	65	23	67
Some College	(291)	%	18	67	19	64	27	68
College Grad +	(370)	%	12	56	14	53	15	58
<b>HH Income</b>								
\$25,000 or less	(228)	%	20	73	20	68	24	74
\$25,001-\$50,000	(302)	%	17	68	19	66	26	71
\$50,001-\$75,000	(149)	%	19	58	20	63	22	61
More than \$75,000	(147)	%	12	59	14	55	11	48
<b>Race/Ethnicity</b>								
White	(813)	%	17	64	17	61	22	66
Black/Afr.Am.	(97)	%	29	77	28	77	21	67
Hispanic	(49)	%	13	60	20	57	38	67

Ref.: B1/T10-12



**Table 2.5a**

**Confidence in Retail Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- H. Companies that sell their products and services by catalog only
- I. Large department stores such as Macy’s or Sears
- J. Companies that sell their products and services over the Internet

	Base: All Respondents		Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>9</b>	<b>45</b>	<b>23</b>	<b>66</b>	<b>3</b>	<b>21</b>
<b>Sex</b>								
Male	(474)	%	8	43	22	62	4	23
Female	(532)	%	9	48	24	70	2	20
<b>Age</b>								
18-29 years	(203)	%	8	53	27	73	5	34
30-49 years	(418)	%	9	45	23	66	4	22
50+ years	(360)	%	10	40	22	62	1	12
<b>Education</b>								
HS or Less	(335)	%	8	45	26	67	3	20
Some College	(291)	%	12	46	26	67	3	19
College Grad +	(370)	%	6	45	14	61	3	25
<b>HH Income</b>								
\$25,000 or less	(228)	%	8	46	26	68	3	25
\$25,001-\$50,000	(302)	%	9	49	28	70	2	19
\$50,001-\$75,000	(149)	%	10	41	21	62	3	22
More than \$75,000	(147)	%	4	44	11	63	6	27
<b>Race/Ethnicity</b>								
White	(813)	%	8	46	21	63	3	20
Black/Afr.Am.	(97)	%	10	57	36	80	3	28
Hispanic	(49)	%	15	47	40	75	5	23

Ref.: B1/T13-15

**Table 2.5b**

**Confidence in Retail Industry: By Key Consumer Groups**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- K. Companies that sell their products and services by catalog only
  - L. Large department stores such as Macy’s or Sears
  - M. Companies that sell their products and services over the Internet

	Base: All Respondents	Retail Establishments						
		Catalog Sales		Department Stores		Internet Sales		
		Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat	
<b>Total</b>	(1006)	%	9	45	23	66	3	21
<b>Interest in Product and Service Information</b>								
Very/SW	(483)	%	12	57	27	73	3	26
Not Very/Not at all	(511)	%	6	35	19	59	3	17
<b>Past Year Catalog/ Telephone Purchase</b>								
Yes	(625)	%	12	53	26	69	2	24
No	(381)	%	5	34	20	62	4	17
<b>Think Personalized Marketing a Good Thing</b>								
Yes	(604)	%	11	51	27	70	4	25
No	(356)	%	7	38	17	60	1	16

Ref.: B2/T13-15

Table 2.6a

**Reasons for High and Low Confidence in Companies that  
Sell Products and Services over the Internet**

- Q.155 Is there anything in particular that companies that sell products and services over the Internet have done to earn your confidence in terms of how they handle your personal information?  
(OPEN-ENDED QUESTION/US ONLY)
- Q157 Is there anything in particular that companies that sell products and services over the Internet have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• Their statements on the web site as to the fact they do not share/give/or sell in any manner your private info with anyone else</li> <li>• I like this – if they instead opt to provide a box for me to check , to request that they do not share info, I also find that comforting</li> <li>• Media hype and profit-minded self-interest are powerful motivators for these companies to maintain privacy</li> <li>• I know they consider credit card information very confidential and always give options other than internet for giving them credit card information</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• After making a purchase over the Internet I am deluged with unsolicited e-mail from similar companies. This is troubling and the worst is once it is sold, my email address will be resold countless times and the only solution to the problem is then to change my email address</li> <li>• I think lists and addresses are traded quite regularly otherwise I would not receive all of the junk email I get</li> <li>• No, I just do not trust the internet</li> <li>• The 400 email and 40 phone calls a week that I have to deal with because I filled out one survey a few months ago.....We've asked many times to be removed from call lists, and it never seems to help</li> </ul>

**Table 2.6b**

**Reasons for High and Low Confidence in Healthcare providers  
such as hospitals and other Healthcare facilities**

- Q.155 Is there anything in particular that Healthcare providers such as hospitals and other Healthcare facilities have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)
- Q157 Is there anything in particular that Healthcare providers such as hospitals and other Healthcare facilities have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• Although I may be incorrect I believe there are laws governing how much of my information they can give out. Otherwise, I believe they would disseminate it more freely</li> <li>• I am participating in a medical work site illness and I had to sign about six forms just to have my own doctor get the information</li> <li>• Have never received any contacts that I could trace back to them (Health care provider)</li> <li>• I work in a health care facility therefore I am familiar with the ethics involved in confidentiality. It is not an option it is a rule</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• A friend of mine showed me how she got my personal health record info. If anyone can do it how can we say these institutions are being confidential</li> <li>• As an example, after we had our baby, we started to get unsolicited baby product information</li> <li>• Believe insurance companies force them to provide detailed info. That can be formed into a profile on consumers and be used to predict future illness</li> <li>• I had actually called a hospital and asked for medical information on my sister. I said she was my sister and they read me the info. over the phone</li> </ul>

**Table 2.6c**

**Reasons for High and Low Confidence in Companies that Sell Prescriptions and over the Counter Drugs**

- Q.155 Is there anything in particular that companies that sell prescriptions and over the counter drugs have done to earn your confidence in terms of how they handle your personal information?  
(OPEN-ENDED QUESTION/US ONLY)
- Q157 Is there anything in particular that companies that sell prescriptions and over the counter drugs have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• Not really, I just trust my pharmacy and I believe that they would inform me of a wrong prescription</li> <li>• I still believe anything related to (medical) is treated confidentially</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• I don't like the fact that companies send me coupons for products that I use ...how do they get the information... for example, drugs for depression</li> <li>• I often receive offers from companies with my name misspelled as it was on information given to a prescription drug company</li> <li>• The amount of junk mail I get from various drug companies when I have only filled out one info sheet for one drug company</li> </ul>

**Table 2.6d**

**Reasons for High and Low Confidence in Banks  
that Provide Checking and Savings Accounts**

Q.155 Is there anything in particular that banks that provide checking and savings accounts have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)

Q157 Is there anything in particular that banks that provide checking and savings accounts have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• Additional security, including ID procedures</li> <li>• Give me the opportunity to sign for who can get information</li> <li>• I don't receive a lot of junk mail</li> <li>• Never had any problems with my bank</li> <li>• I lost my internet password and it took me ½ hour to obtain a new one as I had to even verify what the amount of the last ATM transaction was. I felt that it would take an awful lot for someone to obtain my account information if it was that hard for me</li> <li>• I just think that due to govt. regulations banks have to be more careful that credit card or department stores in encoding the accounts</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• As soon as I deposited a very large sum, I started getting adds for luxury cars and credit cards with the credit limit of the same amount that I had deposited</li> </ul>

**Table 2.6e**

**Reasons for High and Low Confidence in Credit Card Companies**

Q.155 Is there anything in particular that credit card companies have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)

Q157 Is there anything in particular that credit card companies have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• The companies we deal with are very strict in the information that they require for identification and if any suspicious activities occur they call us immediately</li> <li>• Keeping an eye out for unusual purchasing habits</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• After filling out my first credit card application, I started receiving an inordinate amount of junk mail, particularly offers to people in certain income brackets.</li> <li>• After receipt of a credit card, numerous mailings started coming to the address which required a credit card for payment of services/products exclusively ..... Not a coincidental thing.. what do you think?</li> <li>• I am tired of all the telemarketing calls I get regarding credit cards, someone must know that information</li> <li>• As soon as you get a new credit card or even just apply for one, you receive many more offers for other credit cards or loans</li> <li>• I had a mistake on my address that only one credit card company had and I kept receiving solicitations from numerous companies with that mistake on it. I finally closed the account and the mail finally stopped</li> </ul>

**Table 2.6f****Reasons for High and Low Confidence in Health Insurance Companies**

Q.155 Is there anything in particular that Health Insurance companies have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)

Q157 Is there anything in particular that Health Insurance companies have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"><li>• They have always proven to me that I can rely on them to keep my information confidential. On my application they promised not to release the information without my written consent</li></ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"><li>• A medical provider ended up with some information that probably only could have come from the insurance company</li></ul>



**Table 2.6g****Reasons for High and Low Confidence in Life Insurance Companies**

Q.155 Is there anything in particular that Life Insurance companies have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)

Q157 Is there anything in particular that Life Insurance companies have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"><li>• No there is nothing in particular I just feel that my information is safe</li><li>• The quality of service</li></ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"><li>• All of a sudden more ads appear in the mail or phone calls from other insurance companies</li><li>• I work in the insurance area and know how readily the data is shared</li></ul>

**Table 2.6h****Reasons for High and Low Confidence in Property Insurance Companies**

Q.155 Is there anything in particular that Property Insurance companies have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)

Q157 Is there anything in particular that Property Insurance companies have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"><li>• I use a company that is a family friend and very trustworthy</li></ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"><li>• They have clauses in fine print that says they can give out information to other companies</li><li>• We get mailing from their subsidiary companies</li></ul>

Table 2.6i

**Reasons for High and Low Confidence in Companies that  
Sell Products and Services by Catalog Only**

- Q.155 Is there anything in particular that companies that sell products and services by catalog only have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)
- Q157 Is there anything in particular that companies that sell products and services by catalog only have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• Promise security, service, tracking numbers, phone numbers</li> <li>• I don't receive material I'm not interested in and I've never received a bill for something I didn't order</li> <li>• Keep it private by assigning an account number and they refer to the number instead of me</li> <li>• Companies are using a questionnaire often incorporated in their bill/notification/etc giving you the chance to indicate that you do not want your information provided to anyone</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• <i>[NAME OF COMPANY]</i> takes the liberty of charging services to my credit card that I have not and would not authorize, because they have my account number from a prior purchase</li> <li>• Shared information with other companies even though I requested them not to (I was able to track by their incorrect spelling of my name)</li> </ul>

**Table 2.6j**

**Reasons for High and Low Confidence in  
Large Department Stores such as Macys and Sterns**

- Q.155 Is there anything in particular that large Department Stores such as Macys and Sterns have done to earn your confidence in terms of how they handle your personal information? (OPEN-ENDED QUESTION/US ONLY)
- Q157 Is there anything in particular that large Department Stores such as Macys and Sterns have done to create this lack of confidence in terms of how they handle your personal information?

<b>Actions that earned respect</b>
<ul style="list-style-type: none"> <li>• Cashiers give back the credit card carbons to consumers who use major credit cards without being asked to do so</li> <li>• When someone stole my information and opened accounts in my name, Sears, Macy's and the big companies caught on right away where the smaller one didn't and let people charge in my name</li> </ul>
<b>Actions that led to a lack of confidence</b>
<ul style="list-style-type: none"> <li>• By knowingly issuing name and personal information to other stores</li> <li>• They allow non or poorly trained employees to view and handle personal information without training them on how to handle privacy</li> </ul>

### Chapter 3: Privacy Attitudes and Experiences

This chapter examines the attitudes of the American public towards the privacy of personal information and the experiences some consumers have had in their dealings with businesses that use their personal information to provide and advertise products and services.

#### Privacy Victimization

Some 29% of American adults report that they personally have been a victim of what they felt was an improper invasion of privacy by a business.<sup>1</sup> Males are more likely than females to report being victimized (32% vs. 27%), as are more educated and higher income consumers. For example, in the group of consumers with household income under \$25,000, 22% report they have been a victim; this rose through the income levels to 39% for those consumers with household incomes of \$75,000 or more (Table 3.1a).

Typically respondents complained about organizations taking actions without their consent such as “they have removed funds from my accounts without reason.”<sup>2</sup> Other complaints included “receiving invitations from products after their present credit card company had sold their personal details such as “I get at least 5 offers for credit cards a week which leads me to believe that the credit cards I already have, sold my name and address.”<sup>3</sup> The selling of personal details by a company is seen by many respondents as a major invasion of privacy, and a common occurrence and the belief is that “...most companies will sell my personal information to the highest bidder.”<sup>4</sup>

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<sup>1</sup> A similar question was asked in a study sponsored by Ameritech Corporation and conducted by Louis Harris & Associates, Inc. and Dr. Alan Westin between June 23 and July 16, 1998. While 41% answered in the affirmative to that question, there are differences in the questions leading up to it in that survey versus the present survey. The question in the present survey was preceded by questions narrowly focused on the misuse of personal information rather than a broad discussion of privacy invasion as was used in the Ameritech study.

<sup>2</sup> Respondent 005473

<sup>3</sup> Respondent 036303

<sup>4</sup> Respondent 036903

## Attitudes Towards Privacy

To gauge consumer attitudes about privacy, a series of statements was presented to the survey respondents, and they were asked to indicate to what extent they agreed or disagreed with each statement.

A large majority of consumers (80%) agree at least strongly or somewhat with the statement that “consumers have lost all control over how personal information is collected and used by companies.” This number has held steady since the question was first asked back in 1993.<sup>1</sup> To the assertion that “it is impossible to protect consumer privacy in the computer age,” 71% of respondents voiced strong or somewhat agreement. As a counterpoint to strong agreement to these two statements, it is also the case that a majority -- about two-thirds -- of respondents also agreed that “most businesses handle the personal information they collect about consumers in a proper and confidential way.” And, 59% think that “existing laws and organizational practices in the U.S. provide a reasonable level of consumer privacy protection today” (Exhibit 3.1).

Respondents who access the Internet were asked to state their agreement with two additional statements concerning online businesses. Here, some 69% of Americans strongly or somewhat agreed that “Business web sites are doing a better job these days providing privacy notices and informing visitors how any personal information collected will be used.” Given that American adults in general indicate quite a low level of confidence in online businesses in the handling of their personal information (see Table 2.1), it is telling that those consumers with online experience perceive that online businesses are taking steps to earn their confidence. An almost identical number (66%) of Internet users also agree that “the benefits of using the Internet to get information, send e-mail, and to shop far outweigh the privacy problems that are currently being worked on today” (Table 3.2a and Exhibit 3.1).

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<sup>1</sup> 1993 = 80%. 1995 = 80%, 1997 = 81%, and 1998 = 82%. All surveys conducted with national cross-sections of U.S. adults, 18+ years. Average base size = 1,000 respondents.

## Classifying Consumers by Degree of Privacy Concern

Thus far, discussion has focused on the responses to specific questions about consumer attitudes. From four sets of these attitudinal questions it is possible to identify consumers who fit one or more of the following descriptions: (1) lack interest in receiving product and service information, (2) view personalized marketing negatively, (3) have little confidence in the way businesses handle consumer information, and (4) believe current laws in the U.S. are inadequate to protect consumers. Consumers whose attitudes are characterized by 3 or 4 of these qualities are considered to have a “High” degree of Privacy Concern, while those fitting 1 or 2 aspects of the profile can be considered “Medium” in term of Privacy Concern; otherwise, they are classified as having “Low” Privacy Concern.

Roughly half of the respondents (54%) fall into the “Medium” Privacy Concerned category, with about half the remainder in the “High” (25%) and “Low” (22%) categories, respectively. Looking across the demographic groups, males are more likely than females to be in the “High” Privacy Concern group (28% vs. 21%) as are consumers over age 50 (33% vs. about 20% for the other age groups). These general categories of High, Medium and Low privacy concern will be used throughout this report to examine the responses to a host of other questions (Table 3.2b).

## Misuse of Personal Information

When it comes to concern about the possible misuse of their personal information, an overwhelming majority (94%) say they are “very” or “somewhat” concerned, and the majority of these (77%) put themselves in the “very” category. Given the high degree of general concern (i.e., those who are either very or somewhat concerned), it is more useful in this instance to focus just on those respondents who are “very” concerned. Doing so reveals an increase in concern with age (from 67% to 81%), and a very high degree of concern among African-Americans (88%) (Table 3.3a).

Responses to this question about concern over the possible misuse of personal information also were examined by some key privacy characteristics. Not surprisingly, among consumers who report that they have been victims of an invasion of privacy, 84% say they are “very” concerned about misuse of personal information. Looking at the responses to this question by the categories of High, Medium, and Low concern defined in Table 3.2b above yields the finding that those who are in the “High” category also fall heavily into the group of consumers “very” concerned about misuse of information (87% vs. 77% overall). This drops to approximately three-quarters of those with “Medium” (74%) and “Low” (73%) privacy concern who are “very” concerned about how their personal information is used (Table 3.3b).

### **Privacy Concerns Online**

Among those who access the Internet, a high proportion of consumers say they are “very” (72%) or “somewhat” (20%) concerned about threats to their personal privacy when they are using the Internet. Females express greater concern than males (77% vs. 67% are very concerned, while consumers in households with incomes of more than \$50,000 are less inclined to be “very concerned” than those in households with incomes of \$50,000 or less (Table 3.4a).

About three-quarters of both heavy users of the Internet (78% of those online 15 hours or more per week) and lighter users (74% of those online less than 5 hours per week) say they are “very” concerned about threats to their personal privacy on the Internet. About two-thirds of moderate users of the Internet (64%) register the same strong concern. One explanation for this varying degree of concern based on usage is that consumers who are experienced on the Internet may already have provided their personal information to a variety of web sites and online vendors and have become concerned about how that information will be used. By the same token, the least experienced consumers may have a high degree of concern for fear of the unknown. Moderate users of the Internet may have overcome their initial trepidation but have not shared their personal information via the Internet to the same extent.

Among the “Internet Profile” categories (defined in Chapter 1 of this report), those consumers who are “Information Getters” and “Financial Types” are more likely to report they are “very”



concerned (70% in each group) compared to “Information Givers” and “Credit Card Purchasers” (59% and 58%, respectively). The juxtaposition of the “Information Getters” and “Financial Types” is noteworthy since under the first category, consumers are not providing information at all, but in the second, consumers are providing what is generally considered highly sensitive personal information (Table 3.4b and Exhibit 3.2).

Online respondents who say they are concerned about the misuse of data in general are, not unexpectedly, highly represented in the group saying they are “very” or “somewhat” concerned about threats to personal privacy when using the Internet (virtually all of them, at 97%) while three quarters (76%) of those not generally concerned about misuse of data fear privacy intrusion on the Internet. Consumers with a high degree of privacy concern are more likely to be concerned about threats to personal privacy on the Internet, with 85% saying they are “very” concerned compared to 66% of those with a medium degree and 73% of those with a low degree of privacy concern (Table 3.4c).

**Table 3.1a****Victim of Improper Invasion of Privacy: By Key Demographic Groups**

Q.230 As a consumer, have YOU personally ever been the victim of what you felt was an improper invasion of privacy by a business, [or not]?

	<b>Base: All Respondents</b>		<b>Yes, have been victim</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>29</b>
<b>Sex</b>			
Male	(474)	%	32
Female	(532)	%	27
<b>Age</b>			
18-29 years	(203)	%	27
30-49 years	(418)	%	37
50+ years	(360)	%	21
<b>Education</b>			
HS or Less	(335)	%	24
Some College	(291)	%	32
College Grad +	(370)	%	37
<b>HH Income</b>			
\$25,000 or less	(228)	%	22
\$25,001-\$50,000	(302)	%	32
\$50,001-\$75,000	(149)	%	30
More than \$75,000	(147)	%	39
<b>Race/Ethnicity</b>			
White	(813)	%	30
Black/Afr.Am.	(97)	%	27
Hispanic	(49)	%	17

**Ref.:** B1/T46

**Table 3.1b****Type of Improper Invasion of Privacy**

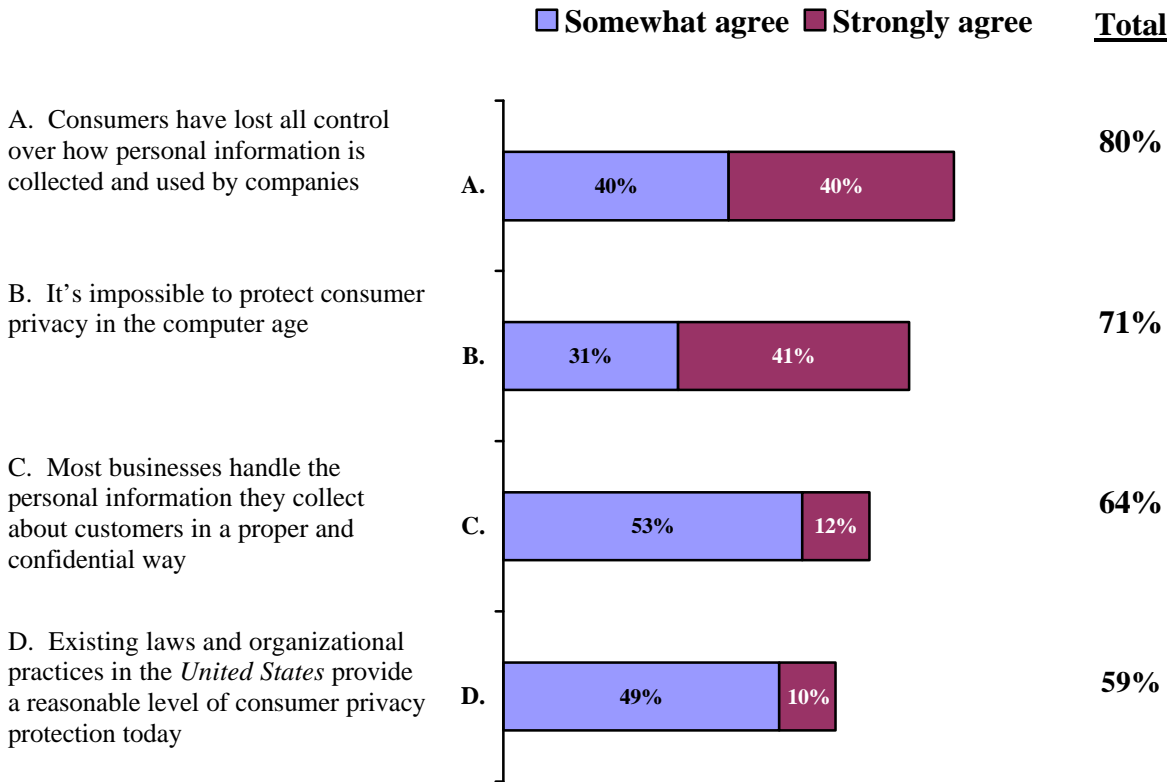
Q.232 What was that invasion? (OPEN-ENDED QUESTION/US ONLY)

<b>Privacy Invasions Experienced</b>
<ul style="list-style-type: none"><li>• A clothing store charged me for purchases that I didn't make. The store closed shortly after the charges were made. I believe the employees charged on the customers cards before the store closed</li><li>• A credit card company called and wanted me to switch to their card and transfer my other balances. They knew what the balances were on my other card</li><li>• A person I'd just met gave me a rather detailed accounting of my financial and travel life based upon research he'd done on me using my credit card and banking records. None of this was or should have been his business or in his realm of research possibilities</li><li>• Acquisition of my Social Security number and automatically issuing me an active credit card without my consent</li><li>• I had a company switch my long distance carrier and I had a company put a 1-800 number and voice mail on my phone and none was ordered</li><li>• I subscribe to magazines and purchase software and other products using my pet's name. I sometimes get offers in the mail from other companies that are not related to products I purchased addressed to my pet (I am just waiting to get a credit card offer for my pet)</li><li>• Selling the use of my information to other people without my consent</li><li>• Was told my info was private, got a sales call from another company and they told me what company sold them my info</li></ul>

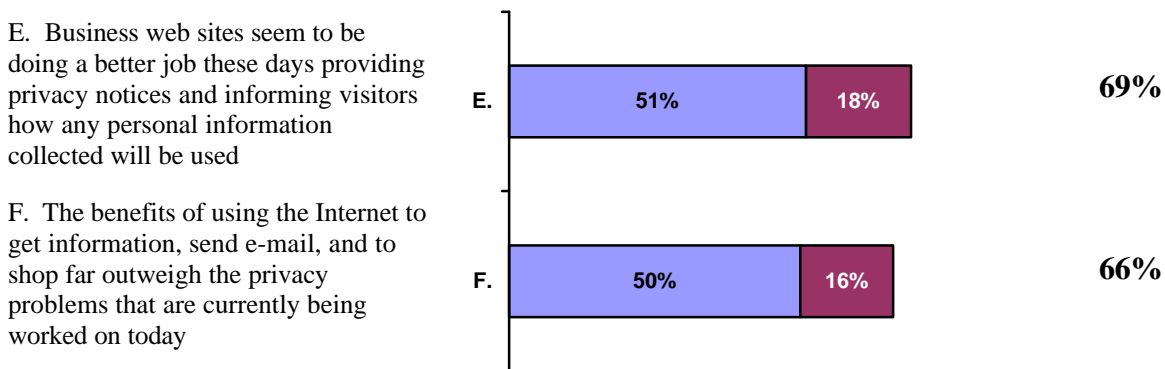
**Exhibit 3.1**

**Privacy Attitudes**

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?



**A.-D.: Base:** All respondents (n=1,006)



**E.& F.: Base:** Access the internet (n=486)

**Table 3.2a**

**Privacy Attitudes**

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

	<b>Base: All Respondents</b>		<b>Agree</b>		<b>Disagree</b>	
			<b>Strongly</b>	<b>Strongly/ Somewhat</b>	<b>Strongly/ Somewhat</b>	<b>Strongly</b>
A. Consumers have lost all control over how personal information is collected and used by companies	(1006)	%	40	80	20	6
B. It's impossible to protect consumer privacy in the computer age	(1006)	%	41	71	27	11
C. Most businesses handle the personal information they collect about customers in a proper and confidential way	(1006)	%	12	64	34	12
D. Existing laws and organizational practices in the <i>United States</i> provide a reasonable level of consumer privacy protection today	(1006)	%	10	59	38	15
<hr/>						
	<b>Base: Access the Internet</b>					
E. Business web sites seem to be doing a better job these days providing privacy notices and informing visitors how any personal information collected will be used	(486)	%	18	69	25	7
F. The benefits of using the Internet to get information, send e-mail, and to shop far outweigh the privacy problems that are currently being worked on today	(486)	%	16	66	32	8

**Ref.:** B1/T47-52

Table 3.2b

## Privacy Concern: By Key Demographic Groups

**Attitudes include:**

1. Not very/not at all interested in getting information from businesses about new consumer products or services.
2. No, personalized marketing is not a good thing.
3. Most businesses handle the personal information they collect about customers in a proper and confidential way – somewhat/strongly disagree
4. Existing laws and organizational practices in *the United States* provide a reasonable level of consumer privacy protection today – somewhat/strongly disagree

	Base: All Respondents		Privacy Concern		
			High (3-4)	Medium (1-2)	Low (None)
<b>Total</b>	(1006)	%	25	54	22
<b>Sex</b>					
Male	(474)	%	28	51	20
Female	(532)	%	21	56	23
<b>Age</b>					
18-29 years	(203)	%	20	57	22
30-49 years	(418)	%	19	57	24
50+ years	(360)	%	33	47	19
<b>Education</b>					
HS or Less	(335)	%	25	52	22
Some College	(291)	%	20	56	23
College Grad +	(370)	%	28	54	18
<b>HH Income</b>					
\$25,000 or less	(228)	%	21	60	19
\$25,001-\$50,000	(302)	%	23	50	27
\$50,001-\$75,000	(149)	%	28	51	21
More than \$75,000	(147)	%	24	54	22
<b>Race/Ethnicity</b>					
White	(813)	%	24	56	20
Black/Afr.Am.	(97)	%	20	54	27
Hispanic	(49)	%	18	57	26

Ref.: B1/T57a

Table 3.3a

**Concern About Misuse of Personal Information: By Key Demographic Groups**

Q.220 How concerned are you about the possible misuse of your personal information in *America* today—[are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?<sup>1</sup>

	<b>Base: All Respondents</b>		<b>% Concerned about misuse</b>			
			<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(793)</b>	<b>%</b>	<b>77</b>	<b>94</b>	<b>6</b>	<b>1</b>
<b>Sex</b>						
Male	(363)	%	75	93	7	1
Female	(430)	%	79	96	4	1
<b>Age</b>						
18-29 years	(155)	%	67	95	5	*
30-49 years	(339)	%	77	94	6	*
50+ years	(281)	%	81	94	6	3
<b>Education</b>						
HS or Less	(258)	%	78	93	7	1
Some College	(224)	%	81	96	4	1
College Grad +	(303)	%	69	96	4	2
<b>HH Income</b>						
\$25,000 or less	(168)	%	74	95	5	2
\$25,001-\$50,000	(228)	%	79	95	5	*
\$50,001-\$75,000	(124)	%	74	95	5	1
More than \$75,000	(127)	%	72	91	9	2
<b>Race/Ethnicity</b>						
White	(637)	%	74	94	6	1
Black/Afr.Am.	(77)	%	88	96	4	1
Hispanic	(43)	%	74	87	13	2

**Ref.:** B1/T44b

<sup>1</sup> Note reduced base size due to change in question wording after 213 completed interviews.

**Table 3.3b****Concern About Misuse of Personal Information: By Key Privacy Groups**

Q.220 How concerned are you about the possible misuse of your personal information in *America* today—[are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?<sup>1</sup>

	<b>Base:</b> <b>All</b> <b>Respondents</b>	<b>% Concerned about misuse</b>				
		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>	
<b>Total</b>	<b>(793)</b>	<b>%</b>	<b>77</b>	<b>94</b>	<b>6</b>	<b>1</b>
<b>Victim of Privacy Invasion</b>						
Yes	(257)	%	84	96	4	-
No	(531)	%	74	94	6	2
<b>Privacy Concern</b>						
High	(200)	%	87	94	6	3
Medium	(426)	%	74	95	5	1
Low	(167)	%	73	94	6	*

**Ref.:** B4/T44b

<sup>1</sup> Note reduced base size due to change in question wording after 213 completed interviews.



Table 3.4a

**Concern About Misuse of Personal Information when Using the Internet:  
By Key Demographic Groups**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	Base: Access the Internet		% Concerned about misuse			
			Very	Very/ Somewhat	Not very/ not at all	Not at all
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>72</b>	<b>92</b>	<b>7</b>	<b>1</b>
<b>Sex</b>						
Male	(249)	%	67	91	9	1
Female	(237)	%	77	94	6	1
<b>Age</b>						
18-29 years	(123)	%	70	94	6	2
30-49 years	(231)	%	73	91	9	-
50+ years	(119)	%	70	93	6	1
<b>Education</b>						
HS or Less	(98)	%	72	89	11	1
Some College	(135)	%	78	95	4	-
College Grad +	(244)	%	66	94	6	1
<b>HH Income</b>						
\$25,000 or less	(58)	%	78	95	5	2
\$25,001-\$50,000	(147)	%	74	94	5	1
\$50,001-\$75,000	(101)	%	65	91	9	-
More than \$75,000	(105)	%	65	90	10	*
<b>Race/Ethnicity</b>						
White	(393)	%	70	91	9	1
Black/Afr.Am.	(38)	%	80	92	5	-
Hispanic	(21)	%	86	88	12	-

**Ref.:** B1/T45

Table 3.4b

**Concern About Misuse of Personal Information when Using the Internet:  
By Key Online Groups**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	<b>Base: Access the Internet</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>72</b>	<b>92</b>	<b>7</b>	<b>1</b>
<b>Amount of Internet Use</b>						
High (15+ hrs.)	(68)	%	78	95	4	1
Medium (5-14 hrs.)	(138)	%	64	88	12	1
Low (<5 hrs.)	(279)	%	74	93	6	1
<b>Internet Profile</b>						
Info. Getters	(440)	%	70	91	8	1
Info. Givers	(211)	%	59	89	10	*
CC Purchasers	(154)	%	58	87	13	1
Banking/Investors	(92)	%	70	92	7	1
<b>Web sites Visited</b>						
Health	(233)	%	73	95	5	*
Financial Types	(220)	%	69	90	9	1
Insurance	(77)	%	70	84	15	1
Retail	(322)	%	67	90	9	1

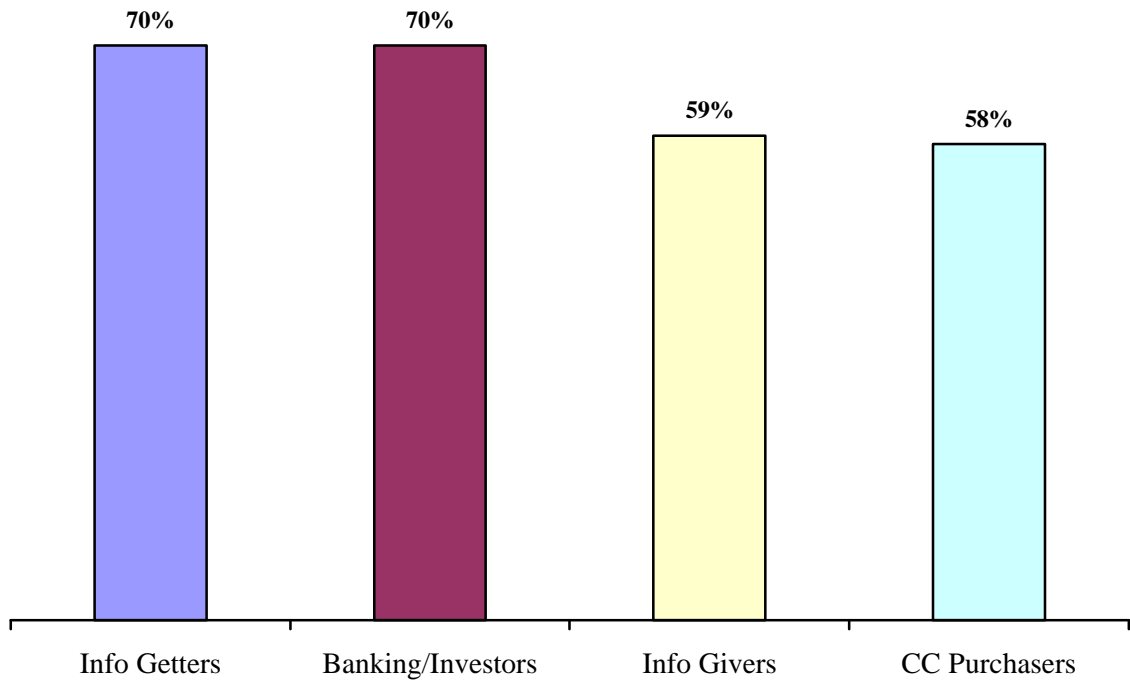
**Ref.:** B3/T45

**Exhibit 3.2**

**Concern About Misuse of Personal Information when Using the Internet**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

**Percentage Very Concerned.**



**Base:** Access the Internet (n= 486)

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<b>Information Getters:</b>	Respondents who have gone to a web site for information in the past year. (n= 440)
<b>Information Givers:</b>	Respondents who have provided personal information to a web site, such as date of birth, age, or address. (n= 211)
<b>Credit Card Purchasers:</b>	Respondents who have used a credit card to pay for information or goods and services purchased on the internet. (n= 154)
<b>Banking/Investors:</b>	Respondents who have conducted home banking or have invested in the stock market online. (n= 92)

Table 3.4c

**Concern About Misuse of Personal Information when Using the Internet:  
By Key Privacy Groups**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	<b>Base: Access the Internet</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>72</b>	<b>92</b>	<b>7</b>	<b>1</b>
<b>Very Concerned About Misuse of Data (in General)</b>						
Yes	(364)	%	86	97	2	*
No	(122)	%	27	76	24	3
<b>Victim of Privacy Invasion</b>						
Yes	(165)	%	69	91	9	*
No	(320)	%	73	93	7	1
<b>Privacy Concern</b>						
High	(106)	%	85	95	5	-
Medium	(280)	%	66	91	8	1
Low	(100)	%	73	92	8	1

**Ref.:** B4/T45

## Chapter 4: Privacy Protection Behaviors — Offline

It is one thing to express concern about the privacy of one's personal information; it is another thing to take action in light of that concern. Given the high number of American adults who express concern or a lack of confidence that their personal information is handled appropriately, how many have taken steps to deal with the way companies use their personal information?

This chapter looks at “offline” behaviors, that is, the protective steps consumers take to deal with the use of their personal information in the offline world of in-person, mail, and telephone marketing. “Online” behaviors undertaken by consumers who use the Internet to make purchases, are discussed in Chapter 5.

### *“Remove My Name and Address From Your Files”*

The survey examined six types of behaviors to assess how willing people are to take action in light of their privacy concerns. These behaviors include: (1) asking a company to remove a name and address, (2) asking a company not to sell one's information, (3) asking a company to examine personal files, (4) inquiring about privacy policies, (5) refusing to give information, and (6) deciding not to use or purchase something because of concerns about personal information.

Fifty-eight percent of consumers report that they have, on at least one occasion, asked a company to remove their name and address from the lists it uses for marketing purposes. Higher educated consumers are more likely to have done so than those with a high school education or less, as are the more affluent. Among income groups, 46% of consumers with household incomes of \$25,000 or less have taken this action. The figure rises to almost three-quarters of those in households with incomes of \$75,000 or more. Whites are more likely than are African-Americans or Hispanics to request removal of their names, at 60% for Whites and 46% each for the latter two groups (Table 4.1a).

Not surprisingly, a large number (77%) of those consumers who report having been victims of a privacy invasion say they have asked for removal of their name and address from a marketer's

list. More than two-thirds (68%) of those consumers who are classified as having a “High” degree of Privacy Concern (see Chapter 3) also have taken this action compared to 56% and 51% for the Medium and Low concern groups, respectively (Table 4.1b).

### ***“Do Not Sell or Give Away My Name”***

More than half of all consumers (53%) say they have asked a company not to sell or give their name and address to another company. The demographic pattern of responses to this question mirror those of the question on name removal. Consumers who are White, more highly educated, have higher incomes, consider themselves to have been victims of a privacy invasion, or can be classified as having a “High” degree of Privacy Concern, are more likely to have made a request to limit the use of their names (Tables 4.1a and 4.1b).

### ***“I’d Like to See What’s In My File”***

Interestingly, one-in-five (18%) consumers actually have taken the step of asking a company to see what personal information, besides billing information, it had about the consumer in their customer records. While more educated and higher income consumers were slightly more likely to do so than other groups, it is really only the consumers who say they were victims of a privacy invasion who, at 28%, stand out among other groups (Tables 4.1a and 4.1b and Exhibit 4.1).

### ***“What is Your Company’s Policy On How You Will Use My Personal Information?”***

Just one-in-five consumers (21%) report that they personally have inquired about or looked to see whether a business or service they were thinking of using had any policies on how it would use the consumer information it collects.

Males are more likely than females to have made an inquiry (25% vs. 17%) and 27% of African-Americans say they have taken this action as opposed to 19% of Whites and only 9% of Hispanics. The likelihood of making this inquiry is also negatively correlated with age but positively correlated with household income (Table 4.2a).

Overall, the group most likely to have inquired about privacy policies are consumers who report they have been a victim of a privacy invasion (30%) (Table 4.2b).

***“I Refuse to Give Your Company That Information Because It is Unnecessary and Too Personal”***

An overwhelming majority of consumers (78%) say they have refused to give information to a business or company because they thought it was not really needed or was too personal. This is the same figure reported in 1998, up from 52% in 1990 (Exhibit 4.2).

Some 85% of 30-49 year olds say they have refused to provide information, placing them ahead of younger and older consumers in this category. Refusal to provide information is more likely among higher educated consumers (86% for college grads) and higher income groups (89% of those consumers in households with incomes of \$75,000 or more). Those consumers classified as having a “High” degree of Privacy Concern also score high in refusal to provide information (85%), as do the consumers who say they have been victims of a privacy invasion, who top out at 91% (Tables 4.2a and 4.2b).

***“I Will Not Purchase This Because I Am Not Sure How You Will Use My Personal Information”***

Just over half of all consumers in the survey (54%) say they have decided not to use or purchase something from a company because they were not sure how the company would use their personal information. This behavior generally increases with both education and household income (Table 4.2a).

Not surprisingly, more than three-quarters of those consumers who say they have been a victim of a privacy invasion (76%) have refused to make a purchase because of privacy considerations (compared to 45% of those who haven’t experienced a privacy invasion). Finally, and not surprisingly, as Privacy Concern rises so does the likelihood of deciding not to purchase something (Table 4.2b).

### **Classifying Consumers by Offline Behaviors**

Table 4.3 takes a simultaneous look at the six consumer actions just discussed. Consumers can be classified according to the extent they have engaged in any of these actions to protect the privacy of their personal information. Of the six behaviors listed, those who have engaged in at least five of these may be considered to have a “High” level of Privacy Protection Behaviors; those who have done three to four can be said to have a “Medium” level, and those with experience in two or fewer such behaviors may be classified as having a “Low” level of such behavior. Of the survey respondents, 17% fall into the “High” category, while 40% and 43% fall into the “Medium” and “Low” categories, respectively. These categories are used in subsequent chapters of this report to examine the responses to selected attitudinal questions.

Not surprisingly, when it comes to these categories, the sum looks very much like the parts. For instance, more than half of those consumers with a high school education or less (51%) can be found in the “Low” category, while membership in the “Medium” and “High” categories tends to increase with education and income. African-Americans and Hispanics are more heavily represented than are Whites in the “Low” category. Interestingly, although older consumers tend to have a greater degree of concern about privacy of personal information, exactly half of the over 50-plus age group end up in the “Low” category when it comes to taking consumer action (Table 4.3b).



Table 4.1a

**OFFLINE Privacy Protection Behaviors — I: By Key Demographic Groups**

Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?

- D. Asked a company to remove your name and address from any lists they use for marketing purposes
- E. Asked a company not to sell or give your name and address to another company
- F. Asked a company to see what personal information, besides billing information, they had about you in their customer records

	Base: All Respondents		% Who have asked company to:		
			Remove name & address	Limit use of name & address	Examine personal file
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>58</b>	<b>53</b>	<b>18</b>
<b>Sex</b>					
Male	(474)	%	58	54	21
Female	(532)	%	58	53	15
<b>Age</b>					
18-29 years	(203)	%	54	52	20
30-49 years	(418)	%	65	60	19
50+ years	(360)	%	52	46	15
<b>Education</b>					
HS or Less	(335)	%	51	46	16
Some College	(291)	%	63	56	16
College Grad +	(370)	%	68	65	23
<b>HH Income</b>					
\$25,000 or less	(228)	%	46	44	16
\$25,001-\$50,000	(302)	%	56	49	19
\$50,001-\$75,000	(149)	%	63	58	16
More than \$75,000	(147)	%	74	69	20
<b>Race/Ethnicity</b>					
White	(813)	%	60	55	16
Black/Afr.Am.	(97)	%	46	42	20
Hispanic	(49)	%	46	43	20

Ref.: B1/T70

**Table 4.1b****OFFLINE Privacy Protection Behaviors — I: By Key Privacy Groups**

Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?

- A. Asked a company to remove your name and address from any lists they use for marketing purposes
- B. Asked a company not to sell or give your name and address to another company
- C. Asked a company to see what personal information, besides billing information, they had about you in their customer records

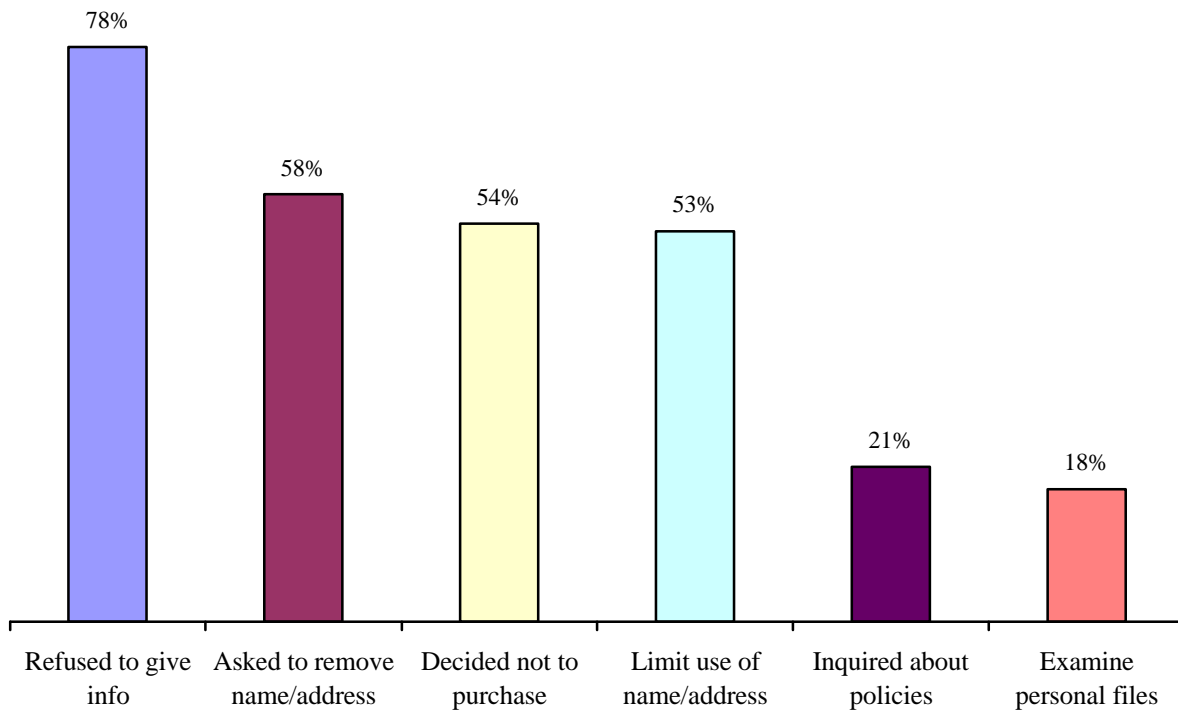
	Base: All Respondents		% Who have asked company to:		
			Remove name & address	Limit use of name & address	Examine personal file
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>58</b>	<b>53</b>	<b>18</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(745)	%	60	55	18
No	(261)	%	53	48	16
<b>Victim of Privacy Invasion</b>					
Yes	(330)	%	77	72	28
No	(671)	%	50	45	13
<b>Privacy Concern</b>					
High	(255)	%	68	65	20
Medium	(545)	%	56	49	15
Low	(206)	%	51	49	21

Ref.: B4/T70

**Exhibit 4.1**

**OFFLINE Privacy Protection Behaviors**

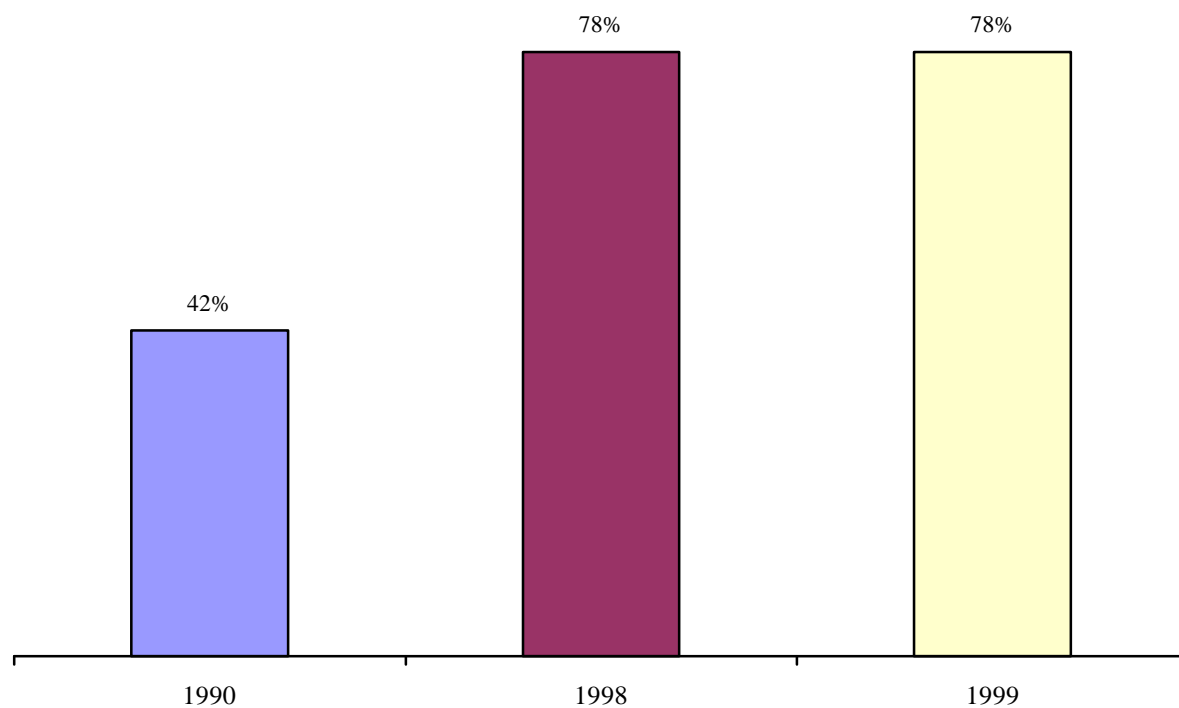
- Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?
- G. Asked a company to remove your name and address from any lists they use for marketing purposes
  - H. Asked a company not to sell or give your name and address to another company
  - I. Asked a company to see what personal information, besides billing information, they had about you in their customer records
- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information



**Base:** All respondents (n=1,006)

**Exhibit 4.2****Refusal to Give Out Personal Information: 1990 to 1999**

Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal



**Base:** All respondents

1990 (n=1,000)

1998 (n=1,008)

1999 (n=1,006)

Table 4.2a

**OFFLINE Privacy Protection Behaviors — II: By Key Demographic Groups**

Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?

Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal

Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents		Yes, have:		
			Inquired about policies	Refused to give information	Decided not to use/ purchase something
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>21</b>	<b>78</b>	<b>54</b>
<b>Sex</b>					
Male	(474)	%	25	77	53
Female	(532)	%	17	79	55
<b>Age</b>					
18-29 years	(203)	%	25	75	53
30-49 years	(418)	%	21	85	57
50+ years	(360)	%	16	72	50
<b>Education</b>					
HS or Less	(335)	%	15	74	46
Some College	(291)	%	24	80	60
College Grad +	(370)	%	29	86	63
<b>HH Income</b>					
\$25,000 or less	(228)	%	20	65	45
\$25,001-\$50,000	(302)	%	20	79	56
\$50,001-\$75,000	(149)	%	25	87	53
More than \$75,000	(147)	%	20	89	61
<b>Race/Ethnicity</b>					
White	(813)	%	19	78	54
Black/Afr.Am.	(97)	%	27	73	53
Hispanic	(49)	%	9	83	54

Ref.: B1/T70

Table 4.2b

**OFFLINE Privacy Protection Behaviors — II: By Key Privacy Groups**

- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents		Yes, have:		
			Inquired about policies	Refused to give information	Decided not to use/ purchase something
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>21</b>	<b>78</b>	<b>54</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(745)	%	22	82	57
No	(261)	%	17	68	45
<b>Victim of Privacy Invasion</b>					
Yes	(330)	%	30	91	76
No	(671)	%	17	73	45
<b>Privacy Concern</b>					
High	(255)	%	22	85	59
Medium	(545)	%	20	75	54
Low	(206)	%	20	77	48

Ref.: B4/T70

**Table 4.3****Summary of OFFLINE Privacy Protection Behaviors: By Key Demographic Groups****Behaviors include:**

1. Asked a company to remove your name and address from any lists they use for marketing purposes
2. Asked a company not to sell or give your name and address to another company
3. Asked a company to see what personal information, besides billing information, they had about you in their customer records
4. Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not?]
5. Refused to give information to a business or company because you thought it was not really needed or was too personal
6. Decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents		OFFLINE Privacy Protection Behaviors:		
			High (5-6)	Medium (3-4)	Low (2 or less)
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>17</b>	<b>40</b>	<b>43</b>
<b>Sex</b>					
Male	(474)	%	20	39	41
Female	(532)	%	16	40	45
<b>Age</b>					
18-29 years	(203)	%	18	38	44
30-49 years	(418)	%	19	44	37
50+ years	(360)	%	15	35	50
<b>Education</b>					
HS or Less	(335)	%	12	37	51
Some College	(291)	%	22	39	39
College Grad +	(370)	%	24	46	30
<b>HH Income</b>					
\$25,000 or less	(228)	%	13	30	57
\$25,001-\$50,000	(302)	%	17	39	44
\$50,001-\$75,000	(149)	%	19	47	34
More than \$75,000	(147)	%	20	52	29
<b>Race/Ethnicity</b>					
White	(813)	%	17	40	43
Black/Afr.Am.	(97)	%	16	36	48
Hispanic	(49)	%	12	36	52

Ref.: B1/T70

## Chapter 5 — Privacy Protection Behaviors — Online

As noted earlier in this report (Chapter 1), two-thirds (66%) of the American public use a computer at home, work, school or elsewhere, and 43% report that they access the Internet for e-mail or other purposes. In the previous chapter we explored in detail the actions some consumers have been willing to take in the offline world of consumer transactions when it comes to protecting the privacy of their personal information. This chapter looks at the privacy protection behavior of consumers on the Internet for each of the four industry segments that are the focus of this report.

### Industry Comparison

Of the four types of web sites examined in the survey – health, financial, insurance and retail – financial sites, perhaps not unexpectedly, engender more consumer protection behaviors than do the other industry sites. For example, almost half of the visitors to financial sites (48%) say they have checked for a privacy notice. This contrasts with 40% of the visitors to insurance sites, about one-third (36%) of the retail site visitors, and only 22% of the visitors to health sites. Visitors to financial sites also are more likely to have seen a privacy notice and refused to give information.

Of particular note, a majority of consumers on all but the health sites (61% on financial sites, 58% on insurance sites, 57% on retail sites versus 39% on health sites) say they have made a decision not to use or purchase something from a web site because they were not sure how their personal information would be used. Overall, health sites garner the lowest proportion of privacy protection behaviors (Table 5.1 and Exhibit 5.1).

Using an analogous procedure to that of categorizing offline privacy behaviors, consumers can be classified as “High”, “Medium” or “Low” depending on how many of the three active protection measures they undertake. If they have checked to see whether the site had a privacy information notice or policy on how it would use information, refused to give information that they regarded as too personal, and decided not to use or purchase something because they were



concerned about how their personal information would be used while visiting one of the four types of sites, they were classified as having a “High” level of online protection behavior. If they have carried out at least two of these measures, they were classified as “Medium”, and are considered “Low” if they have done one or none. One-third (33%) of online consumers fall into the “High” category, while one-quarter (25%) end up in the “Medium” category. The remaining 42% fall into the “Low” category. As with the offline privacy protection behavior categories, membership in the “High” group decreases with age and increases with education (Table 5.2).

**Table 5.1**

**ONLINE Privacy Protection Behaviors**

- Q.550 When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM)?
- A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
  - B. SEEN A PRIVACY NOTICE or other explanation of how personal information collected by that site would be used?
  - C. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?
  - D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

	<b>Health Sites</b>	<b>Financial Sites</b>	<b>Insurance Sites</b>	<b>Retail Sites</b>
<b>Base:</b> Have Visited Sites				
Checked for Privacy Notice	(233)	(220)	(77 <sup>1</sup> )	(322)
	%	%	%	%
Checked for Privacy Notice	22	48	40	36
Seen a Privacy Notice	27	49	28	43
Refused to give information	44	64	56	59
Decided not to use/purchase	39	61	58	57

Ref: B1/T83,88,93,98

<sup>1</sup> Note: small base size

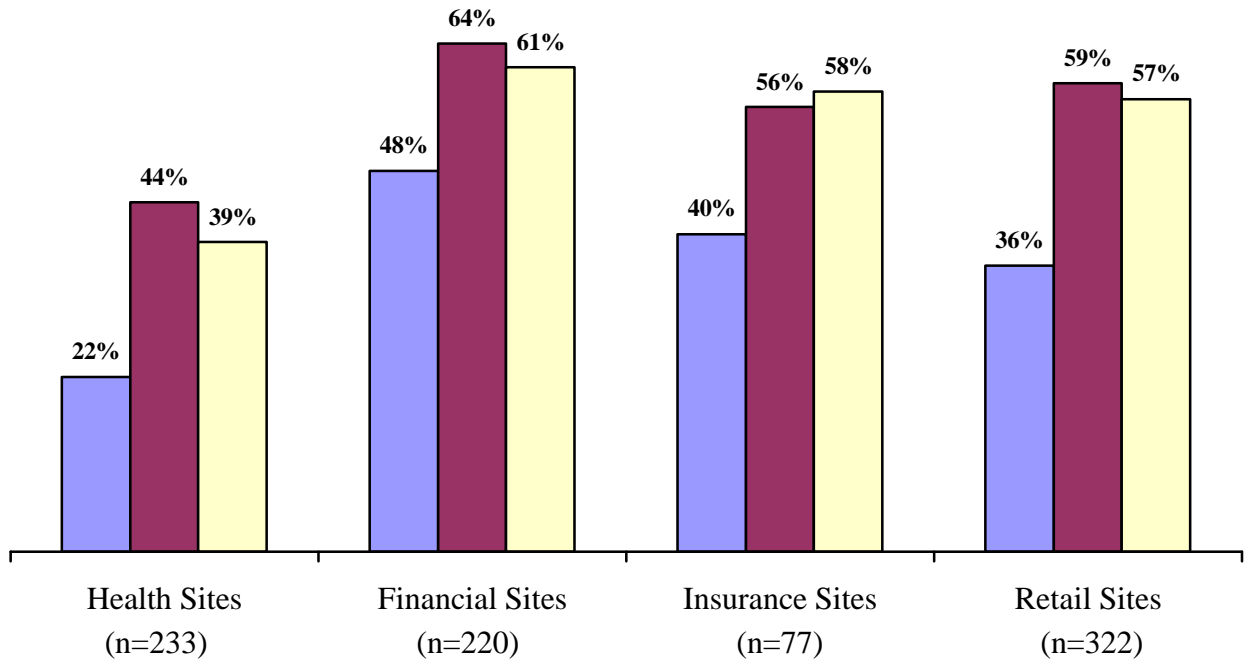
**Exhibit 5.1**

**ONLINE Privacy Protection Behaviors**

Q.550 When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM)?

- A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
- C. REFUSED TO GIVE INFORMATION to this type of website because you thought it was not really needed or was too personal?
- D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of website because you weren't sure how they would use your personal information?

■ Checked for privacy notice     
 ■ Refused to give info     
 ■ Decided not to purchase



**Base:** Varies

Table 5.2

## Summary of ONLINE Privacy Protection Behaviors: By Key Demographic Groups

- Q.550. When you've visited Web sites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM), [or not]?
- Q.560. When you've visited Web sites on *financial services, such as banks, credit cards, and investments*, have you EVER (READ EACH ITEM), [or not]?:
- Q.570. When you've visited Web sites *offering any kind of insurance -- such as life, health, accident, auto, or residential* have you EVER (READ EACH ITEM), [or not]?
- Q.580. When you've visited Web sites from *retail stores or catalogs offering consumer products of any kind*, have you EVER (READ EACH ITEM), [or not]?:
- A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
- C. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?
- D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

	Base: Have visited Web sites		Online Privacy Protection Behaviors:		
			High (3)	Medium (2)	Low (1,0)
<b>Total</b>	(411)	%	33	25	42
<b>Sex</b>					
Male	(220)	%	35	24	41
Female	(191)	%	31	27	42
<b>Age</b>					
18-29 years	(107)	%	34	27	39
30-49 years	(201)	%	35	24	41
50+ years	(90)	%	20	29	50
<b>Education</b>					
HS or Less	(81)	%	26	23	51
Some College	(106)	%	35	25	41
College Grad +	(215)	%	35	30	35
<b>HH Income</b>					
\$25,000 or less	(46)	%	33	19	49
\$25,001-\$50,000	(125)	%	34	29	36
\$50,001-\$75,000	(88)	%	29	22	49
More than \$75,000	(90)	%	32	29	39

Ref.: B1/T99

## Chapter 6: Privacy Policies

This chapter explores how consumers view the progress American businesses are making in the four specific industries and ten sectors to adopt privacy protection policies. The discussion focuses first on the privacy protection policies in the offline world, and then examines policies for the online world.

### Privacy Policies – Offline

A clear majority of American consumers across all four industries being considered in this study and within all 10 sectors of those industries examined in detail say that it is very important to them that companies adopt strong privacy protection policies. Consumers of banks register the highest level of agreement with a clear majority of them (88%) indicating the importance of such policies. Eighty-three percent of consumers of both healthcare providers and 82% of health insurance companies also agree. Substantial numbers of consumers also believe privacy policies are very important when dealing with credit card companies (80%) and pharmaceutical companies (79%) as well as life insurance companies (75%) and property insurance companies (74%). A majority, although not as large, agree that privacy policies are very important when dealing with department stores (61%) and with companies that sell their products and services over the Internet (58%). Only a slim majority (53%) think it is very important for companies that sell their products and services by catalog to adopt such policies. The slightly lower figures for catalog and Internet sales may reflect the lower use of such companies by some segments of the population (Table 6.1 and Exhibit 6.1).

### *Healthcare Industry*

Comparing the healthcare industry specifically, with the two sectors of healthcare providers and pharmaceutical companies, it is notable that the proportion of consumers who say privacy protection policies are very important are quite high (83% and 79%, respectively). Among the demographic groups, females are more likely than males to place a high degree of importance on privacy policies in both sectors. More Whites say privacy policies are very important for

pharmaceutical companies than African-Americans or Hispanics (81% for Whites vs. 70% for both of the other groups). When considered across the key privacy groups defined earlier in this report, again, there are no strong differences in the Healthcare Provider sector. However, in the pharmaceutical industry, consumers who are very concerned about misuse of data in general are much more likely to say privacy policies are very important than those who are not (83% vs. 68%) (Table 6.2a and 6.2b).

### ***Financial Services Industry***

Consumers of both banks and credit card companies place a great deal of importance on strong privacy protection policies. However, the banking category clearly stands out as an emblem of consumers' concern about their most personal and sensitive data. Across almost all the demographic groups, a substantial number of consumers (and 88% overall) say that privacy policies are very important.

In both segments of the industry, consumers in the lowest education group and lowest household income group are less likely to say privacy protection policies are very important, although a majority do believe that they are. That this number is relatively low for credit card companies among households with income of \$25,000 or less (67%) is not surprising given that this is precisely the group that is likely to have the least access to credit cards. Among key privacy groups, consumers who are concerned about misuse of data in general and those who have been victims of a privacy invasion are slightly more likely to think privacy policies are very important than those who are not as concerned or haven't been victims (Tables 6.3a and 6.3b).

### ***Insurance Industry***

Privacy protection policies are very important to consumers in all three segments of the insurance industry – 82% for health insurance companies, 75% for property insurance companies and 74% for life insurance companies. There are no strong demographic differences to note within or across the industry other than the fact that more females than males say privacy policies are very important in all three segments. In health insurance, for example, 86% of females view privacy policies as very important as compared to 77% of males. Across the key

privacy groups, consumers who are very concerned about the misuse of data in general are more likely than those who are not to view privacy policies as very important for all three types of insurance companies (Table 6.4a and 6.4b).

### ***Retail Industry***

When it comes to the retail industry a total of 61% say that when dealing with department stores privacy policies are very important, and a similar figure, 58%, say such policies also are very important for companies that sell over the Internet. A slightly smaller majority of 53% agree this is the case for companies that sell by catalog only. As with the other sectors discussed, use or experience with an industry may influence overall importance levels. For example, Internet companies garner a low degree of confidence in their handling of personal information among consumers (see Table 2.1 in which only 21% say they are very or somewhat confident that their personal information is handled confidentially). While it might therefore be expected that consumers would want to have privacy protection policies to address their concerns with the Internet industry, the fact that slightly more than half say privacy policies are very important suggests that more complicated interactions are occurring.

Considered in this light, 58% is a substantial number of consumers and may reflect a desire for explicit protection policies among those who use the Internet for retail transactions and among those who would like to use the Internet, but are apprehensive about the privacy of their personal information. Some 16% of the survey respondents declined to answer the question citing their lack of direct experience with Internet companies – considerably more than the usual 1% to 5% decline rate for all the other industry sectors.

In terms of demographic trends, the importance of privacy policies tends to increase with education for catalog companies and for Internet companies. As for age, the importance of privacy policies tends to be lowest for those consumers in the 50 years and older group for all three industry segments, but especially for Internet companies. Among the key privacy groups, consumers who are concerned about the misuse of data and those who have been victims of a

privacy invasion are more likely to attach higher-than-average importance to privacy protections in all three segments of the retail industry.<sup>1</sup> (Tables 6.5a and 6.5b).

### **Privacy Policies – Online**

Among American consumers who access the Internet, just over half (52%) report that they have seen a privacy notice or other explanation of how personal information collected will be used when visiting a web site. Of those who have seen a privacy notice, 38% say they always read a notice, 56% say they sometimes read it, and 5% say they never read it (Exhibit 6.2).

Younger web users are more likely to always read notices than are older individuals. Also, somewhat surprisingly, the tendency to always read notices does not appear to be related to education level, and in fact decreases as household incomes increase. Readership of privacy notices does not appear to vary much by the type of web site visited or the amount of Internet use. However, in terms of the Internet Profile of consumers, there is a slight tendency on the part of Financial Types to be less likely to always read privacy notices and more likely to sometimes do so, but this may be explained by the fact that Financial Types are likely to be regular users of the same types of sites, and may feel they are familiar with the contents of the notices.

Not surprisingly, consumers who say they are very concerned about the misuse of data in general, are more likely than those who are not concerned to always read privacy notices (41% vs. 30%). The same is true of those consumers who have been victims of a privacy invasion (47% vs. 35% of those who have not), and of consumers who exhibit a High degree of online protection behaviors (Tables 6.6a, 6.6b, and 6.6c).

When asked to what extent it is important that a web site display a privacy notice and explain how personal information is used before the consumer provides personal information or makes a purchase, an substantial majority (85%) say such advance notification is absolutely essential or

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<sup>1</sup> Somewhat inexplicably, the categories of Privacy Concern appear to vary inversely with consumers' stated very or somewhat importance of privacy protection policies. That is, the higher the degree of Privacy Concern, the less important privacy protection policies are. This relationship appears to hold across all three retail industry subgroups, and may warrant further investigation.



very important. Females are more likely than males to think so (88% vs. 81%), but no other strong demographic differences emerge nor are there strong differences among key online groups. Among key privacy groups, the expected pattern develops in which those consumers who are very concerned about misuse of data, those who have been victims of privacy invasion, those who are classified as having a High level of Privacy Concern, and those who exhibit a High level of Privacy Protection Behaviors are more likely to say privacy notices and explanations of how data are used are absolutely essential or very important to them (Table 6.7a, 6.7b, and 6.7c).

Respondents also were asked to consider three types of specific privacy policies and gauge the degree of importance to them of each. The three policies types were:

- (A) an explanation to customers of what personal information is collected about them and how it will be used,
- (B) a choice to consumers to not have their name and address passed along to other companies for sending them marketing offers, and
- (C) a procedure allowing customers to see the information the company has stored about them.

Generally, all three policies were regarded as absolutely essential or very important at 80%, 81% and 79%, respectively, with consumers not showing any particular tendency to lean towards one policy over another. Favoring votes for each policy increases by household income, but does not appear to be related to education or age. Whites support all three policies to a greater extent than other ethnic groups. For example, Policy A is supported by 84% of Whites, but 74% of African-Americans and only 64% of Hispanics (Table 6.8a).

The key privacy groups also place consistently high importance on all three types of policies. They do so in more or less the expected pattern of those who are more privacy sensitive as defined by that particular classification showing greater than average support for each type of privacy policy. Among a few findings of note, 91% of consumers with a High level of online privacy protection behaviors favor Policy B (as compared to the average among all consumers of

81%), and have above average support of Policies A and C, as well. Victims of a privacy invasion and consumers with a High degree of offline privacy protection behaviors also give above-average support to all three policies, with a slight leading edge for Policy B (Table 6.8b).

Consumers were asked to name the privacy policy or action that would most convince them that their personal information was handled properly and confidentially.

Answers to this question included controlling the giving of information such as “inform the consumer if and when information is given out”<sup>1</sup> or “my personal information should never be given out to anyone without my written consent.”<sup>2</sup> Other consumers went even further and stated that companies should provide a “guarantee ... that all information is not sold”<sup>3</sup> or “give \$1000 each time they [the company] violate their policy on giving out client information that the consumer requested to keep private.”<sup>4</sup>

A final group of consumers however stated that “there is nothing they [companies] can do to convince me of that [the confidentiality of private information]”<sup>5</sup> or “nothing, I don’t trust them.”<sup>6</sup> That is, some consumers are unwilling to believe that any actions taken by companies will result in their personal information being held properly and confidentially.

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<sup>1</sup> Respondent 027582

<sup>2</sup> Respondent 025858

<sup>3</sup> Respondent 006812

<sup>4</sup> Respondent 007852

<sup>5</sup> Respondent 035341

<sup>6</sup> Respondent 034689

**Table 6.1****Importance of Privacy Protection Policies in Various Industries**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

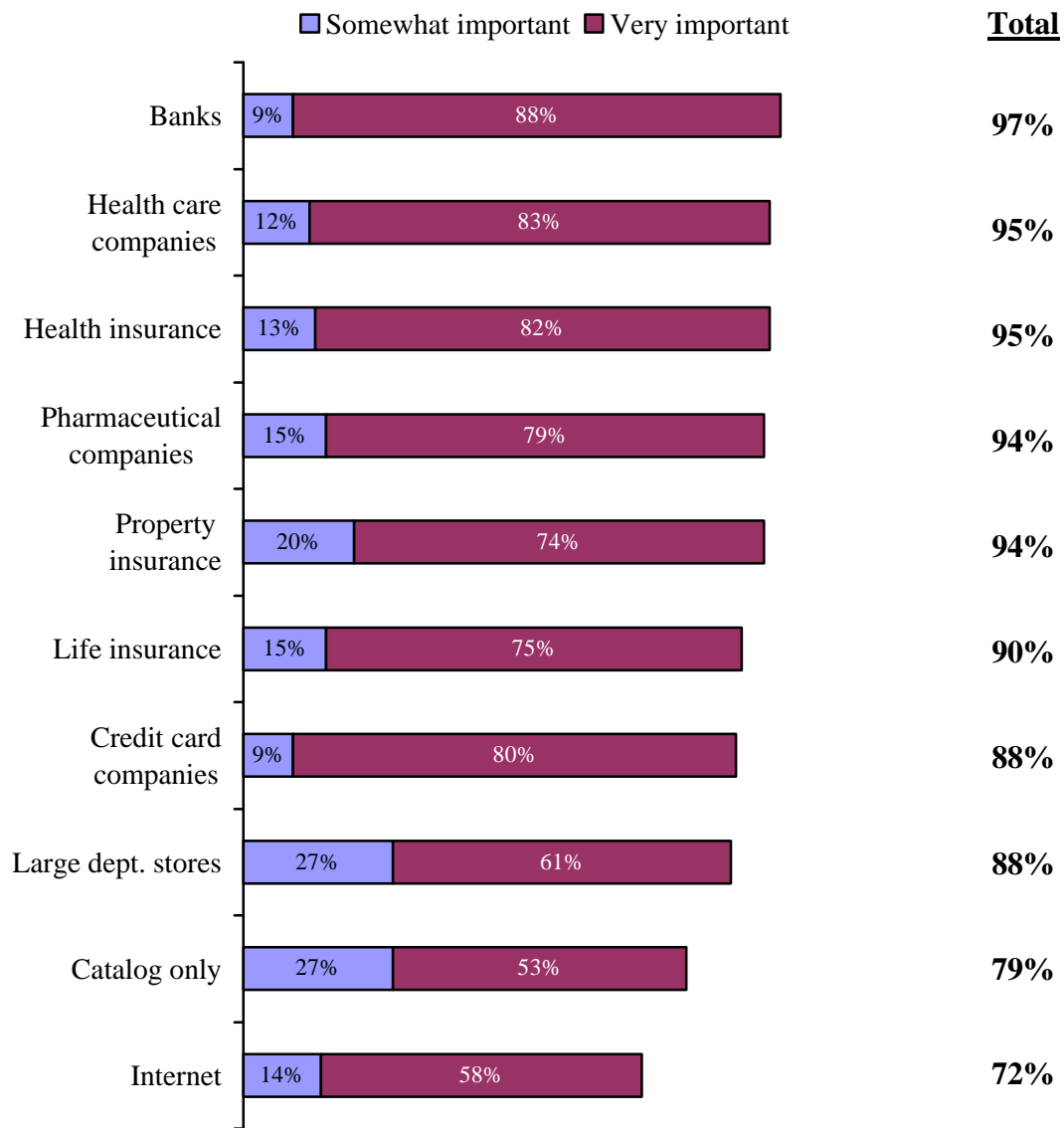
	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Banks</b> that provide checking and savings accounts	(1,006)	%	88	97	2	1
<b>Healthcare providers</b> such as hospitals and other healthcare facilities	(1,006)	%	83	95	4	1
<b>Health insurance</b> companies	(1,006)	%	82	95	3	2
<b>Credit card</b> companies	(1,006)	%	80	88	6	3
Companies that sell <b>prescription and over-the-counter drug products</b>	(1,006)	%	79	94	4	3
<b>Life insurance</b> companies	(1,006)	%	75	90	5	3
<b>Property insurance</b> companies, such as companies that sell accident, auto, and residential insurance	(1,006)	%	74	94	3	1
<b>Large department stores</b> such as Macy's or Sears	(1,006)	%	61	88	8	3
Companies that sell their products and services over the <b>Internet</b>	(1,006)	%	58	72	12	7
Companies that sell their products and services by <b>catalog</b> only	(1,006)	%	53	79	15	7

**Ref.:** B1/T30-33

**Exhibit 6.1**

**Importance of Privacy Protection Policies in Various Industries**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?



**Base:** All respondents (n=1,006)

Table 6.2a

**Importance of Privacy Protection Policies in Healthcare Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- A. Healthcare providers such as hospitals and other healthcare facilities  
 B. Companies that sell prescription and over-the-counter drug products

	Base: All Respondents		Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>83</b>	<b>95</b>	<b>79</b>	<b>94</b>
<b>Sex</b>						
Male	(474)	%	79	94	76	92
Female	(532)	%	87	96	83	96
<b>Age</b>						
18-29 years	(203)	%	84	97	75	91
30-49 years	(418)	%	85	96	84	99
50+ years	(360)	%	78	92	75	91
<b>Education</b>						
HS or Less	(335)	%	78	94	76	94
Some College	(291)	%	89	96	84	95
College Grad +	(370)	%	87	95	82	95
<b>HH Income</b>						
\$25,000 or less	(228)	%	80	96	72	92
\$25,001-\$50,000	(302)	%	84	95	81	93
\$50,001-\$75,000	(149)	%	85	92	86	96
More than \$75,000	(147)	%	85	97	80	97
<b>Race/Ethnicity</b>						
White	(813)	%	83	95	81	95
Black/Afr.Am.	(97)	%	77	97	70	93
Hispanic	(49)	%	82	91	70	91

Ref.: B1/T20,21

**Table 6.2b**

**Importance of Privacy Protection Policies in Healthcare Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- A. Healthcare providers such as hospitals and other healthcare facilities
  - B. Companies that sell prescription and over-the-counter drug products

	Base: All Respondents		Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>83</b>	<b>95</b>	<b>79</b>	<b>94</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(745)	%	84	96	83	97
No	(261)	%	80	92	68	88
<b>Victim of Privacy Invasion</b>						
Yes	(330)	%	88	98	82	97
No	(671)	%	81	94	79	93
<b>Privacy Concern</b>						
High	(255)	%	83	90	82	94
Medium	(545)	%	81	96	76	94
Low	(206)	%	88	98	85	95
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(201)	%	86	95	82	97
Medium	(417)	%	88	96	81	95
Low	(388)	%	78	94	76	93

Ref.: B4/T20,21

**Table 6.3a**

**Importance of Privacy Protection Policies in Financial Types Industry:  
By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

C. Banks that provide checking and savings accounts  
D. Credit card companies

	Base: All Respondents		Banks		Credit Card Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>88</b>	<b>97</b>	<b>80</b>	<b>88</b>
<b>Sex</b>						
Male	(474)	%	83	97	78	88
Female	(532)	%	92	97	82	89
<b>Age</b>						
18-29 years	(203)	%	87	97	77	91
30-49 years	(418)	%	90	98	86	93
50+ years	(360)	%	85	95	72	81
<b>Education</b>						
HS or Less	(335)	%	83	95	72	84
Some College	(291)	%	93	100	89	94
College Grad +	(370)	%	90	98	87	93
<b>HH Income</b>						
\$25,000 or less	(228)	%	77	93	67	79
\$25,001-\$50,000	(302)	%	93	98	85	92
\$50,001-\$75,000	(149)	%	94	99	87	93
More than \$75,000	(147)	%	90	99	85	97
<b>Race/Ethnicity</b>						
White	(813)	%	90	98	82	89
Black/Afr.Am.	(97)	%	76	94	73	83
Hispanic	(49)	%	74	92	71	88

Ref.: B1/T22,23

**Table 6.3b**

**Importance of Privacy Protection Policies in Financial Types Industry:  
By Key Privacy Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

C. Banks that provide checking and savings accounts  
D. Credit card companies

	Base: All Respondents		Banks		Credit Card Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>88</b>	<b>97</b>	<b>80</b>	<b>88</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(745)	%	89	98	81	88
No	(261)	%	84	96	77	89
<b>Victim of Privacy Invasion</b>						
Yes	(330)	%	91	99	85	91
No	(671)	%	86	96	78	87
<b>Privacy Concern</b>						
High	(255)	%	89	96	77	84
Medium	(545)	%	83	97	79	89
Low	(206)	%	96	99	86	92
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(201)	%	90	100	82	88
Medium	(417)	%	92	99	85	93
Low	(388)	%	82	95	74	84

Ref.: B4/T22,23



**Table 6.4a**

**Importance of Privacy Protection Policies in Insurance Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- E. Health insurance companies
- F. Life insurance companies
- G. Property insurance companies, such as companies that sell accident, auto, and residential insurance

	Base: All Respondents	%	Insurance Companies					
			Health		Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>		<b>82</b>	<b>95</b>	<b>75</b>	<b>90</b>	<b>74</b>	<b>94</b>
<b>Sex</b>								
Male	(474)	%	77	94	72	89	71	95
Female	(532)	%	86	96	79	92	76	93
<b>Age</b>								
18-29 years	(203)	%	79	97	76	95	71	95
30-49 years	(418)	%	86	96	78	91	77	96
50+ years	(360)	%	78	93	70	86	70	92
<b>Education</b>								
HS or Less	(335)	%	78	95	73	89	73	93
Some College	(291)	%	88	96	80	92	74	96
College Grad +	(370)	%	82	96	75	91	73	95
<b>HH Income</b>								
\$25,000 or less	(228)	%	76	94	68	89	72	93
\$25,001-\$50,000	(302)	%	84	98	79	91	71	94
\$50,001-\$75,000	(149)	%	84	92	76	90	78	97
More than \$75,000	(147)	%	84	93	77	92	73	98
<b>Race/Ethnicity</b>								
White	(813)	%	84	96	76	90	76	95
Black/Afr.Am.	(97)	%	76	96	77	96	64	95
Hispanic	(49)	%	74	88	63	82	68	90

Ref.: B1/T24-26

**Table 6.4b**

**Importance of Privacy Protection Policies in Insurance Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- E. Health insurance companies
  - F. Life insurance companies
  - G. Property insurance companies, such as companies that sell accident, auto, and residential insurance

	Base: All Respondents		Insurance Companies					
			Health		Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>82</b>	<b>95</b>	<b>75</b>	<b>90</b>	<b>74</b>	<b>94</b>
<b>Very Concerned About Misuse of Data</b>								
Yes	(745)	%	83	96	78	92	77	95
No	(261)	%	79	94	67	86	65	91
<b>Victim of Privacy Invasion</b>								
Yes	(330)	%	82	96	79	93	76	95
No	(671)	%	82	95	74	90	73	94
<b>Privacy Concern</b>								
High	(255)	%	81	90	73	87	75	93
Medium	(545)	%	78	96	73	91	71	95
Low	(206)	%	92	99	83	93	79	95
<b>OFFLINE Privacy Protection Behaviors</b>								
High	(201)	%	82	93	75	91	74	95
Medium	(417)	%	84	96	77	91	73	95
Low	(388)	%	80	95	74	89	74	93

Ref.: B4/T24-26

**Table 6.5a**

**Importance of Privacy Protection Policies in the Retail Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

H. Companies that sell their products and services by catalog only

I. Large department stores such as Macy's or Sears

J. Companies that sell their products and services over the Internet

	Base: All Respondents		Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>53</b>	<b>79</b>	<b>61</b>	<b>88</b>	<b>58</b>	<b>72</b>
<b>Sex</b>								
Male	(474)	%	50	75	58	86	55	70
Female	(532)	%	55	83	64	90	61	73
<b>Age</b>								
18-29 years	(203)	%	54	85	57	90	62	83
30-49 years	(418)	%	56	83	65	91	67	82
50+ years	(360)	%	44	69	56	83	42	50
<b>Education</b>								
HS or Less	(335)	%	49	75	57	86	49	64
Some College	(291)	%	56	82	68	92	67	78
College Grad +	(370)	%	57	84	61	88	68	81
<b>HH Income</b>								
\$25,000 or less	(228)	%	45	73	54	85	48	63
\$25,001-\$50,000	(302)	%	55	83	64	93	61	76
\$50,001-\$75,000	(149)	%	52	81	54	88	58	76
More than \$75,000	(147)	%	56	86	60	89	74	88
<b>Race/Ethnicity</b>								
White	(813)	%	55	80	62	89	60	73
Black/Afr.Am.	(97)	%	38	79	61	91	46	66
Hispanic	(49)	%	41	64	64	85	50	73

Ref.: B1/T27-29

**Table 6.5b**

**Importance of Privacy Protection Policies in the Retail Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- H. Companies that sell their products and services by catalog only
  - I. Large department stores such as Macy’s or Sears
  - J. Companies that sell their products and services over the Internet

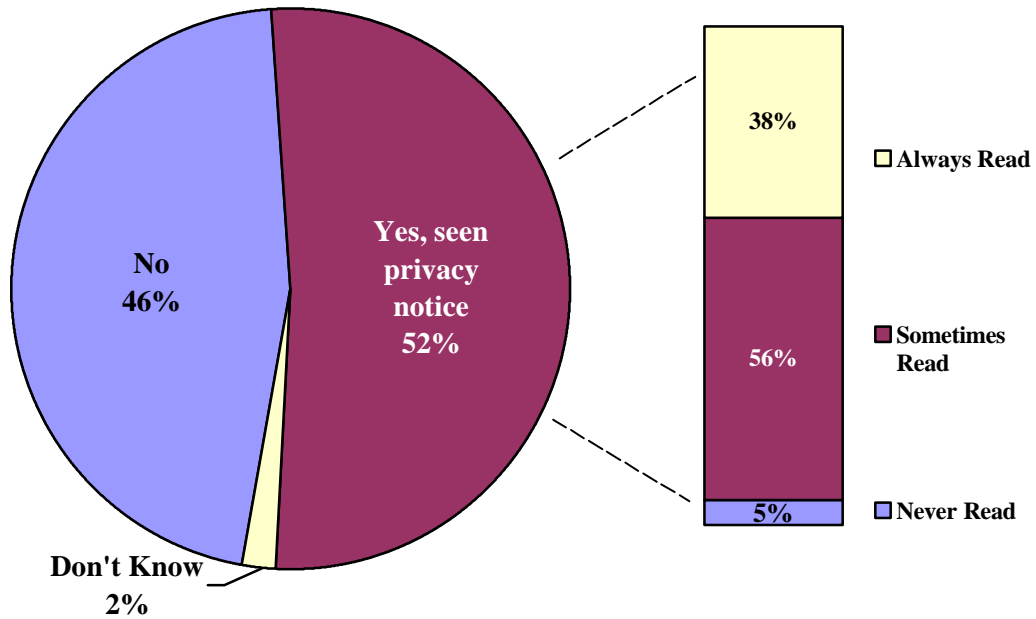
	Base: All Respondents		Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>53</b>	<b>79</b>	<b>61</b>	<b>88</b>	<b>58</b>	<b>72</b>
<b>Very Concerned About Misuse of Data</b>								
Yes	(745)	%	55	79	64	89	60	72
No	(261)	%	46	80	51	86	51	72
<b>Victim of Privacy Invasion</b>								
Yes	(330)	%	60	84	66	89	69	80
No	(671)	%	50	77	59	88	53	68
<b>Privacy Concern</b>								
High	(255)	%	57	72	59	82	57	66
Medium	(545)	%	49	79	61	89	59	72
Low	(206)	%	57	88	64	93	58	77
<b>OFFLINE Privacy Protection Behaviors</b>								
High	(201)	%	55	80	62	85	62	74
Medium	(417)	%	60	84	62	89	65	79
Low	(388)	%	45	75	59	89	50	64

Ref.: B4/T27-29

**Exhibit 6.2**

**Incidence of Having Seen and Having Read Website Privacy Notices:**

- Q.505 When you visit business Web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?
- Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?



**Base:** Access the Internet  
(n=486)

**Base:** Seen Privacy Notice  
(n=258)

Table 6.6a

**Incidence of Having Seen and Having Read Web site Privacy Notices:  
By Key Demographic Groups**

Q.505 When you visit business web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?

Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?

	<b>Base: Access the Internet</b>		<b>Yes, Seen Privacy Notice</b>	<b>Base: Seen Privacy Notice</b>		<b>Always Read</b>	<b>Sometimes Read</b>	<b>Never Read</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>52</b>	<b>(258)</b>	<b>%</b>	<b>38</b>	<b>56</b>	<b>5</b>
<b>Sex</b>								
Male	(249)	%	60	(154)	%	38	56	5
Female	(237)	%	43	(104)	%	38	56	5
<b>Age</b>								
18-29 years	(123)	%	48	(70)	%	45	46	8
30-49 years	(231)	%	57	(129)	%	37	59	4
50+ years	(119)	%	42	(50)	%	31	64	3
<b>Education</b>								
HS or Less	(98)	%	51	(53)	%	37	56	7
Some College	(135)	%	46	(62)	%	40	54	6
College Grad +	(244)	%	58	(138)	%	36	60	4
<b>HH Income</b>								
\$25,000 or less	(58)	%	36	(24)	%	59	41	-
\$25,001-\$50,000	(147)	%	49	(76)	%	39	56	4
\$50,001-\$75,000	(101)	%	68	(61)	%	34	64	2
More than \$75,000	(105)	%	53	(58)	%	27	58	15

Ref.: B1/T71,72

Table 6.6b

**Incidence of Having Seen and Having Read Web site Privacy Notices:  
By Key Online Groups**

Q.505 When you visit business web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?

Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?

	<b>Base: Access the Internet</b>		<b>Yes, Seen Privacy Notice</b>	<b>Base: Seen Privacy Notice</b>		<b>Always Read</b>	<b>Sometimes Read</b>	<b>Never Read</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>52</b>	<b>(258)</b>		<b>38</b>	<b>56</b>	<b>5</b>
<b>Amount of Internet Use</b>								
High (15+ hrs.)	(68)	%	64	(44)	%	37	58	4
Medium (5-14 hrs.)	(138)	%	56	(81)	%	45	49	5
Low (<5hrs)	(279)	%	47	(133)	%	34	60	6
<b>Internet Profile</b>								
Info. Getters	(440)	%	54	(248)	%	39	56	5
Info. Givers	(211)	%	68	(144)	%	39	57	4
CC Purchasers	(154)	%	72	(111)	%	35	61	4
Banking/Investors	(92)	%	73	(65)	%	33	62	5
<b>Web sites Visited</b>								
Health	(233)	%	62	(146)	%	39	57	4
Financial Types	(220)	%	68	(150)	%	38	58	4
Insurance	(77)	%	60	(48)	%	41	57	1
Retail	(322)	%	62	(205)	%	39	55	6

Ref.: B3/T71,72

**Table 6.6c**

**Incidence of Having Seen and Having Read Web site Privacy Notices:  
By Key Privacy Groups**

Q.505 When you visit business web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?

Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?

	<b>Base: Access the Internet</b>		<b>Yes, Seen Privacy Notice</b>	<b>Base: Seen Privacy Notice</b>		<b>Always Read</b>	<b>Sometimes Read</b>	<b>Never Read</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>52</b>	<b>(258)</b>	<b>%</b>	<b>38</b>	<b>56</b>	<b>5</b>
<b>Very Concerned About Misuse of Data</b>								
Yes	(364)	%	50	(182)	%	41	54	4
No	(122)	%	57	(76)	%	30	62	8
<b>Victim of Privacy Invasion</b>								
Yes	(165)	%	47	(86)	%	47	44	9
No	(320)	%	54	(172)	%	35	61	4
<b>Privacy Concern</b>								
High	(106)	%	46	(45)	%	38	49	11
Medium	(280)	%	51	(150)	%	38	58	4
Low	(100)	%	61	(63)	%	38	58	3
<b>ONLINE Privacy Protection Behaviors</b>								
High	(141)	%	77	(112)	%	48	48	4
Medium	(108)	%	44	(52)	%	34	59	7
Low	(162)	%	51	(79)	%	27	65	7

Ref.: B4/T71,72



**Table 6.7a****Importance of Displaying Privacy Notices on Web sites: By Key Demographic Groups**

Q.510 When you visit business web sites, how important is it that the site you are visiting displays a Privacy Notice and explains how your personal information will be used BEFORE you provide your personal information or make a purchase — [is it absolutely essential, very important, somewhat important, not very important or not at all important]?

	<b>Base:</b> <b>Access the</b> <b>Internet</b>		<b>Absolutely</b>	<b>Absolutely</b> <b>/ Very</b>
	<b>(486)</b>	<b>%</b>	<b>48</b>	<b>85</b>
<b>Total</b>				
<b>Sex</b>				
Male	(249)	%	45	81
Female	(237)	%	52	88
<b>Age</b>				
18-29 years	(123)	%	45	79
30-49 years	(231)	%	48	88
50+ years	(119)	%	51	82
<b>Education</b>				
HS or Less	(98)	%	52	85
Some College	(135)	%	45	89
College Grad +	(244)	%	47	79
<b>HH Income</b>				
\$25,000 or less	(58)	%	51	95
\$25,001-\$50,000	(147)	%	39	81
\$50,001-\$75,000	(101)	%	59	89
More than \$75,000	(105)	%	45	82

**Ref.:** B1/T73

**Table 6.7b****Importance of Displaying Privacy Notices on Web sites: By Key Online Groups**

Q.510 When you visit business web sites, how important is it that the site you are visiting displays a Privacy Notice and explains how your personal information will be used BEFORE you provide your personal information or make a purchase — [is it absolutely essential, very important, somewhat important, not very important or not at all important]?

	<b>Base: Access the Internet</b>		<b>Absolutely</b>	<b>Absolutely / Very</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>48</b>	<b>85</b>
<b>Amount of Internet Use</b>				
High (15+ hrs.)	(68)	%	41	81
Medium(5-14 hrs.)	(138)	%	54	86
Low(<5hrs)	(279)	%	47	85
<b>Internet Profile</b>				
Info. Getters	(440)	%	48	86
Info. Givers	(211)	%	48	85
CC Purchasers	(154)	%	49	83
Banking/Investors	(92)	%	51	83
<b>Web sites Visited</b>				
Health	(233)	%	53	88
Financial Types	(220)	%	49	84
Insurance	(77)	%	47	87
Retail	(322)	%	47	85

**Ref:** B3/T73

Table 6.7c

**Importance of Displaying Privacy Notices on Web sites: By Key Privacy Groups**

Q.510 When you visit business web sites, how important is it that the site you are visiting displays a Privacy Notice and explains how your personal information will be used BEFORE you provide your personal information or make a purchase — — [is it absolutely essential, very important, somewhat important, not very important or not at all important]?

	<b>Base: Access the Internet</b>		<b>Absolutely</b>	<b>Absolutely / Very</b>
<b>Total</b>	<b>(486)</b>	<b>%</b>	<b>48</b>	<b>85</b>
<b>Very Concerned About Misuse of Data</b>				
Yes	(364)	%	53	88
No	(122)	%	34	73
<b>Victim of Privacy Invasion</b>				
Yes	(165)	%	50	89
No	(320)	%	47	83
<b>Privacy Concern</b>				
High	(106)	%	61	86
Medium	(280)	%	44	83
Low	(100)	%	44	87
<b>ONLINE Privacy Protection Behaviors</b>				
High	(141)	%	54	91
Medium	(108)	%	50	80
Low	(162)	%	42	84

Ref.: B4/T73

**Table 6.8a**

**Importance of Specific Privacy Policies: By Key Demographic Groups**

Q.365 Companies could also adopt certain PRIVACY policies. For each of the following THREE policies, indicate whether you feel the policy is absolutely essential, very important, somewhat important, not very important, or not at all important for a company to adopt and communicate or provide to its customers.

- A. An explanation to customers of what personal information is collected about them and how it will be used
- B. A choice to consumers not to have their name and address passed along to other companies for sending them marketing offers
- C. A procedure allowing customers to see the information the company has stored about them

	Base: All Respondents		% Saying Policy is Absolutely/Very Important		
			Policy A	Policy B	Policy C
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>80</b>	<b>81</b>	<b>79</b>
<b>Sex</b>					
Male	(474)	%	79	80	80
Female	(532)	%	81	83	78
<b>Age</b>					
18-29 years	(203)	%	68	76	72
30-49 years	(418)	%	88	89	85
50+ years	(360)	%	78	76	75
<b>Education</b>					
HS or Less	(335)	%	77	77	76
Some College	(291)	%	80	83	81
College Grad +	(370)	%	87	89	84
<b>HH Income</b>					
\$25,000 or less	(228)	%	76	69	72
\$25,001-\$50,000	(302)	%	81	86	82
\$50,001-\$75,000	(149)	%	88	85	88
More than \$75,000	(147)	%	87	93	86
<b>Race/Ethnicity</b>					
White	(813)	%	84	86	83
Black/Afr.Am.	(97)	%	74	61	64
Hispanic	(49)	%	64	79	75

Ref.:B1/T60-62

**Table 6.8b****Importance of Specific Privacy Policies: By Key Privacy Groups**

Q.365 Companies could also adopt certain PRIVACY policies. For each of the following THREE policies, indicate whether you feel the policy is absolutely essential, very important, somewhat important, not very important, or not at all important for a company to adopt and communicate or provide to its customers.

- A. An explanation to customers of what personal information is collected about them and how it will be used
- B. A choice to consumers not to have their name and address passed along to other companies for sending them marketing offers
- C. A procedure allowing customers to see the information the company has stored about them

	Base: All Respondents	%	% Saying Policy is Absolutely/Very Important		
			Policy A	Policy B	Policy C
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>80</b>	<b>81</b>	<b>79</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(745)	%	82	83	81
No	(261)	%	74	76	74
<b>Victim of Privacy Invasion</b>					
Yes	(330)	%	86	89	84
No	(671)	%	77	79	77
<b>Privacy Concern</b>					
High	(255)	%	80	88	83
Medium	(545)	%	78	79	78
Low	(206)	%	83	79	79
<b>OFFLINE Privacy Protection Behaviors</b>					
High	(201)	%	88	89	85
Medium	(417)	%	85	88	85
Low	(388)	%	72	72	71
<b>ONLINE Privacy Protection Behaviors</b>					
High	(141)	%	86	91	86
Medium	(108)	%	87	83	82
Low	(162)	%	82	87	80

Ref.: B4/T60-62

**Table 6.9****Importance of Specific Privacy Policies**

Q.375 If you could tell [READ ITEM] the most important thing they could do to convince you that they were handling your personal information properly and confidentially, what would that one thing be?

<b>Actions needed to convince you that the Industry is handling your personal information properly</b>
--

- |  |
|--|
| <ul style="list-style-type: none"> <li>• Assure me that personal information is not given to anyone else</li> <li>• A guarantee that personal information is NOT being given out to anyone.</li> <li>• They should be held liable for any damages resulting from disclosure of personal information</li> <li>• Include a written guarantee of privacy, agreeing to pay consumer \$10,000 (other people said \$1,000 - \$100,000) for each and every instance of verifiable breach of privacy .... That might do it.</li> <li>• Have some type of legal statement, that would hold up in court, saying that they are protecting my personal information</li> <li>• [Internet Company] – That they are using encrypted secure server technology for all communication of my personal data</li> <li>• Notify me of who's asking for information about me and don't release it without my permission (and verify that it's me giving the permission)</li> <li>• Provide a list of outside vendors contacted in any way about your person and what and why they were given information about you</li> <li>• Reveal any inquiries re my account</li> <li>• Provide me with a copy of their policy on how they handle personal information</li> <li>• Never pass on any kind of information about my accounts to any business or company</li> <li>• Adopt an industry wide standard (I believe there are too many laws) that would require, including in every use of the information (especially mailing and email), the name of the company which originally gathered that information from the individual</li> <li>• Submit to monitoring by a third party organization which would independently verify compliance to privacy policies or regulations</li> <li>• Fax/Send me a copy of information they have in their system</li> <li>• The one thing they could do is provide each customer a means by which they can personally, directly and immediately access and change any or all of the personal information which they have collected about each customer</li> <li>• I don't believe insurance companies care about anything other than their profit therefore I d not believe that they handle any information confidentially</li> <li>• There is nothing they could say, I wouldn't believe them</li> <li>• Wish I had an answer to that question</li> </ul> |
|--|

## Chapter 7: Cross-Country Comparisons of Perceptions of Privacy Protection

This chapter examines the perceptions of Americans when it comes to privacy protections at home and abroad.

### Government and Privacy Protection in the USA

When asked how comfortable they are with the way the government is handling the protection of consumer privacy in America, the American public is split with 43% saying they are very or somewhat comfortable and a majority, 56%, saying they are not very or not at all comfortable. This discomfort increases with age and is most evident among older Americans, with more than two-thirds (67%) falling into this category. Whites also are more likely than African-Americans and Hispanics to say they are not very or not at all comfortable with the handling of the privacy issue by government (Table 7.1a).

Among the key privacy groups, the expected pattern emerges in which those consumers with the highest sensitivity to privacy are much more likely to say they are not very or not at all comfortable with the handling of consumer privacy by government. For example, 62% of consumers very concerned about misuse of data in general and 69% of those who have been victims of a privacy invasion register their discomfort. These percentages are even higher for the other key privacy groups, rising to 74% of those who exhibit High offline privacy protection behaviors and 80% for those who have a High degree of Privacy Concern (Table 7.1b).

Whether they viewed the question objectively or patriotically, a substantial majority of the American public (69%) believe that the U.S. has the greatest number of choices when it comes to new products and services! This compares to those who believe there are more product and service choices in Japan (14%), Canada (4%), Germany (4%), and Great Britain (2%) (Exhibit 7.1).

When it comes to the most effective protection of consumer privacy today, only a minority of Americans (43%) believe that the U.S. is in the lead. But, there is no consensus on the leading country from the remainder, with 18% opting for Japan, 12% for Canada, 10% for Germany and 7% for Great Britain. These numbers change only slightly when consumers are asked to choose which of the five countries has the most effective protection of consumer privacy on the Internet today. The U.S. holds steady at 43%, and the numbers shift slightly with 19% naming Japan, 8% Canada, 7% Germany and 6% pointing to Great Britain (Exhibits 7.2 and 7.3).

On this issue of effective protection of consumer privacy on the Internet, key online groups take a fairly positive view of privacy protection on the Internet in the U.S. Internet users tend to put the U.S. in the lead vis-à-vis other countries to a greater extent than does the American public on average. For example, all the categories of Internet Profile and Web site Visitors register a majority choosing the U.S. (ranging from 51% to 60%) as compared to the 43% of all Americans saying the U.S. has the most effective protections on the Internet (Table 7.2a).

Not unexpectedly, consumers in some of the key privacy groups take a dimmer view of consumer privacy protection on the Internet in the U.S. While a plurality think the U.S. leads the other countries in effective protections, consumers who have been victims of a privacy invasion, and those with a high degree of Privacy Concern are less likely to choose the U.S. than the American public on average (34% and 33% respectively, vs. 43% overall)<sup>1</sup> (Table 7.2b).

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<sup>1</sup> Somewhat paradoxically, a majority of consumers in the online privacy protection behaviors category choose the U.S., and the higher the degree of protection behavior the more likely consumers are to choose the U.S. This may be explained partly by the overall more positive impression of U.S. policy by online users in general, and also by the fact that consumers who take protective measures may feel more secure.



Table 7.1a

**Comfort Level with the Way Government is Handling Protection of Consumer Privacy:  
By Key Demographic Groups**

Q.705 In general, how comfortable are you with the way the government is handling the protection of consumer privacy in *AMERICA* [- are you very comfortable, somewhat comfortable, not very comfortable, not at all comfortable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>4</b>	<b>43</b>	<b>56</b>	<b>23</b>
<b>Sex</b>						
Male	(474)	%	6	42	58	27
Female	(532)	%	2	45	54	19
<b>Age</b>						
18-29 years	(203)	%	5	57	42	14
30-49 years	(418)	%	5	47	53	21
50+ years	(360)	%	2	31	67	30
<b>Education</b>						
HS or Less	(335)	%	5	44	55	25
Some College	(291)	%	2	44	54	21
College Grad +	(370)	%	2	41	57	21
<b>HH Income</b>						
\$25,000 or less	(228)	%	4	44	55	21
\$25,001-\$50,000	(302)	%	3	45	54	20
\$50,001-\$75,000	(149)	%	8	47	52	24
More than \$75,000	(147)	%	3	41	58	20
<b>Race/Ethnicity</b>						
White	(813)	%	3	41	58	23
Black/Afr.Am.	(97)	%	6	55	43	15
Hispanic	(49)	%	10	60	40	18

**Ref.:** B1/T100

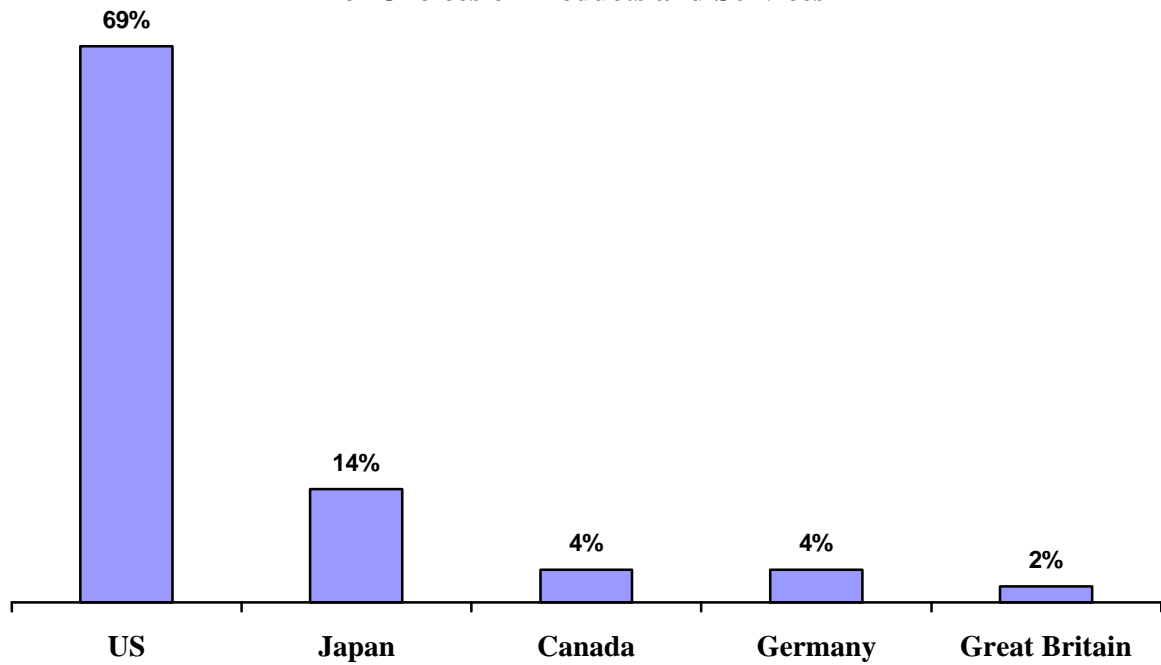
Table 7.1b

**Comfort Level with the Way Government is Handling Protection of Consumer Privacy:  
By Key Privacy Groups**

Q.705 In general, how comfortable are you with the way the government is handling the protection of consumer privacy in *America*[- are you very comfortable, somewhat comfortable, not very comfortable, not at all comfortable]?

	<u>Base: All Respondents</u>		<u>Very</u>	<u>Very/ Somewhat</u>	<u>Not very/ not at all</u>	<u>Not at all</u>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>4</b>	<b>43</b>	<b>56</b>	<b>23</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(745)	%	3	37	62	28
No	(261)	%	6	60	38	6
<b>Victim of Privacy Invasion</b>						
Yes	(330)	%	3	29	69	31
No	(671)	%	4	49	50	19
<b>Privacy Concern</b>						
High	(255)	%	4	19	80	44
Medium	(545)	%	4	45	54	19
Low	(206)	%	4	65	33	9
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(201)	%	4	26	74	33
Medium	(417)	%	2	38	61	23
Low	(388)	%	6	55	44	19

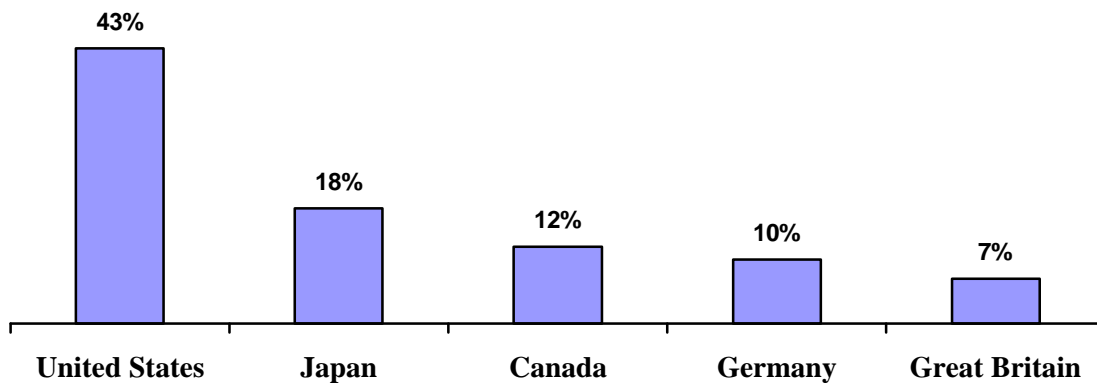
Ref.: B4/T100

**Exhibit 7.1****Country Perceived to Offer the Greatest Number  
of Choices of Products and Services**

**Base:** All Respondents (n=1,006)

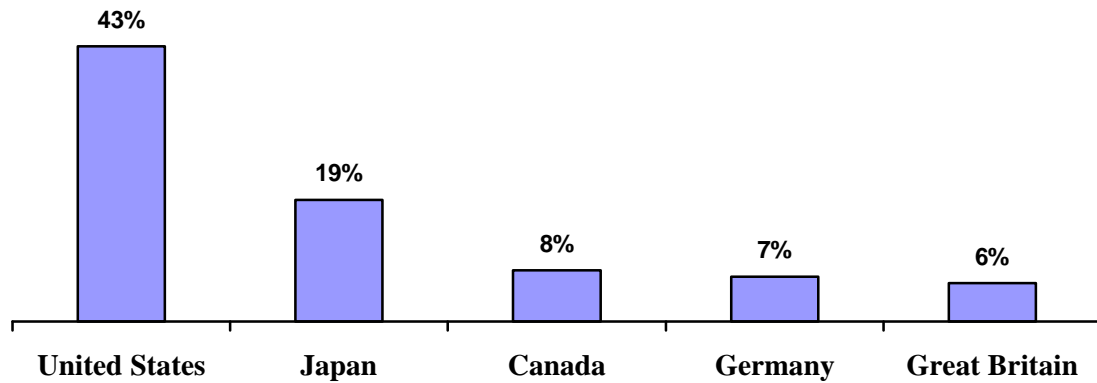
Q.710 In which ONE of the following FIVE countries do you think consumers have the greatest number of choices when it comes to new products and services?

**Ref.:** B1/T101

**Exhibit 7.2****Country Perceived to Have the Most Effective Protection  
of Consumer Privacy Today**

**Base:** All Respondents (n=1,006)

Q.715 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy today?

**Exhibit 7.3****Country Perceived to Have the Most Effective Protection of Consumer Privacy on the INTERNET Today**

**Base:** All Respondents (n=1,006)

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

Table 7.2a

**Country Perceived to Have the Most Effective Protection of  
Consumer Privacy on the INTERNET Today: By Key Online Groups**

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

	<b>Base: All Respondents</b>		<b>United States</b>	<b>Japan</b>	<b>Canada</b>	<b>Germany</b>	<b>Great Britain</b>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>43</b>	<b>19</b>	<b>8</b>	<b>7</b>	<b>6</b>
<b>Computer User</b>							
Yes	(700)	%	46	20	7	8	7
No	(306)	%	36	18	9	6	6
<b>Access the Internet</b>							
Yes	(486)	%	50	18	5	8	7
No	(214)	%	38	24	11	7	6
<b>Amount of Internet Use</b>							
High (15+ hrs.)	(68)	%	54	20	5	10	7
Medium (5-14 hrs.)	(138)	%	52	20	3	8	4
Low (<5hrs)	(279)	%	48	16	6	7	8
<b>Internet Profile</b>							
Info. Getters	(440)	%	51	18	5	8	6
Info. Givers	(211)	%	58	19	6	8	2
CC Purchasers	(154)	%	52	19	6	10	2
Banking/Investors	(92)	%	53	16	5	9	2
<b>Web sites Visited</b>							
Health	(233)	%	53	14	7	8	5
Financial Types	(220)	%	56	16	7	8	3
Insurance	(77)	%	60	13	5	12	3
Retail	(322)	%	54	16	5	8	4

Ref.: B3/T103

Table 7.2b

**Country Perceived to Have the Most Effective Protection of  
Consumer Privacy on the INTERNET Today: By Key Privacy Groups**

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

	<u>Base: All Respondents</u>		<u>United States</u>	<u>Japan</u>	<u>Canada</u>	<u>Germany</u>	<u>Great Britain</u>
<b>Total</b>	<b>(1006)</b>	<b>%</b>	<b>43</b>	<b>19</b>	<b>8</b>	<b>7</b>	<b>6</b>
<b>Very Concerned About Misuse of Data</b>							
Yes	(745)	%	41	20	7	8	7
No	(261)	%	48	16	9	5	6
<b>Victim of Privacy Invasion</b>							
Yes	(330)	%	34	23	7	10	7
No	(671)	%	46	18	8	6	6
<b>Privacy Concern</b>							
High	(255)	%	33	24	7	9	7
Medium	(545)	%	42	18	9	8	6
Low	(206)	%	54	17	5	4	6
<b>ONLINE Privacy Protection Behaviors</b>							
High	(141)	%	56	15	6	6	5
Medium	(108)	%	54	14	4	7	6
Low	(162)	%	50	19	4	9	6

Ref.: B4/T103

## **Part II: United Kingdom**



## Chapter 1 — Online and Offline Consumer Profile

### INTRODUCTION

This section of **The IBM Multi-National Consumer Privacy Survey** explores the attitudes of the British public towards personalized marketing and consumer views about the provision and protection of personal information to British businesses in four specific industries – healthcare, financial services, insurance, and retail.

The questionnaire administered in this survey was identical to that used to survey consumers in the United States and Germany, with a few exceptions where adjustments were made to fit the British context. Although an attempt was made to facilitate cross-country comparisons by subdividing respondents in all three countries across the same set of demographic groups, some differences remain. Education systems within each country are unique, and this study preserves the standard educational categories used in each country, respectively. Also -- perhaps tellingly for a survey concerned with attitudes towards the privacy of personal information – a not insubstantial portion of respondents (25%) refused to state their monthly household income for classification purposes. This contrasts with 15% of American respondents and 36% of those in the Germany. For this reason, some caution should be used in interpreting the set of responses broken down by income in this section of the report.

This chapter provides an overview and profile of the 1,000 citizens of the United Kingdom who responded to this survey about consumer privacy.

### Consumer Interest and Views of Marketing

Twenty-nine percent of consumers in the U.K. express interest in getting information from businesses about new consumer products and services. The proportion of interested consumers tends to decline with age, and is lowest among those consumers 50 years and older. About one-third (35%) of consumers say they are interested in marketing information, dropping to one-in-

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five consumers (22%) in the over 50 set. Interest in receiving marketing material increases with an increase in education level, class and household income (Table 1.1).

Personalized marketing is defined as the ability of companies to gather information about the individual interests and lifestyles of their customers in order to tailor their marketing to each customer's personal preferences. A slim majority (51%) of consumers in the U.K. say they think personalized marketing is a good thing for consumers – a number that far exceeds the portion of consumers who say they are interested in receiving marketing material. In parallel with the level of interest in marketing material, more younger consumers (65%) view personalized marketing positively, and so do consumers who are more educated and have higher household income. For example, while just under half (49%) of consumers in households with less than £15,000 think personalized marketing is a good thing, this number increases through the income levels to almost two-thirds (62%) for consumers in households with incomes of more than £46,000. Believing that personalized marketing is a good thing is lower among unskilled workers (47%) compared to the upper class (54%) (Exhibit 1.1 and Table 1.2a).

Consumers also were asked which of three benefits of personalized marketing is most appealing to them in exchange for providing their personal information: (1) advance information on new products and services, (2) product discounts, or (3) better customer service.

Across most of the demographic groups, the hierarchy of responses was the same. Just over half of consumers (51%) favor better customer service, followed by one-in-three (36%) favoring product discounts, with only 10% most interested in advance information on new products and services.

Consumers 50 years and older and households with income of more than £46,000 rate better customer service the highest at 54% and 61%, respectively. Interestingly, the value of product discounts is “discounted” by those in the highest household income group, with only 22% of consumers choosing this as the most important compared to 40% of those in the lowest household income group of £15,000 or less. Product discounts also are important to 45% of the 18-29 year-old age group (Table 1.2b).

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### Consumer Purchase Behavior

Despite the fact that a minority of British consumers say they are interested in receiving marketing material, a substantial number of consumers have made purchases perhaps as a result of this type of marketing. This survey questioned consumers about two modes of purchase, mail and telephone.

Just under half (49%) of British consumers say they have purchased something from a catalog or brochure sent to their residences. Females are more likely to have mail ordered than males (55% vs. 42%), and the highest household income group, those consumers with more than £46,000, stand out at 62% as the group with the most mail order experience. In contrast, only 5% of the British public say they bought a product or service offered to them by a telephone call to their residences (Table 1.3).

### Computer Knowledge and Use

A minority of 39% of the British public perceive themselves as very or somewhat knowledgeable when it comes to computer technology. Not surprisingly, this perception differs dramatically with age, with 57% of 18-29 year olds classifying themselves as knowledgeable, dropping to 46% in the 30-49 year-old group, and dropping further still to one-quarter (24%) of those over the age of 50. Self-reported knowledge of technology also follows the expected trend of increasing with education and household income. Only about one-quarter (28%) of those consumers with a GCSE/O Level education say they are very or somewhat knowledgeable, which trails considerably that of the higher educated groups (the highest being consumers with university degrees at 61%). Of the three class groups, unskilled workers registered the lowest level of knowledge at 22%, versus 42% for the clerical workers and 54% for the upper class (Table 1.4).

Just over half (54%) of the British public uses a computer at home, at work, at school or elsewhere, and about one-quarter (28%) access the Internet once a month or more for e-mail or

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other purposes. More males than females use a computer (59% vs. 51%), and males also are more likely to access the Internet (35% vs. 21%). It might be expected that computer and Internet use follow decline with age and increase with education and income, and indeed, these trends are quite striking. More than three-quarters (78%) of 18-29 year olds use a computer, as do two-thirds (66%) of 30-49 year olds and only one-third (32%) of those consumers 50 and older. When it comes to household income, only one-third (32%) of those consumers in households with incomes of £15,000 or less use a computer and only 15% access the Internet. However, a large majority (92%) of consumers with household incomes of more than £31,000 use a computer and 71% access the Internet. Internet access follows a similar pattern to computer usage, with access decreasing by age and increasing with education and income. Use of computers and Internet also increase as class increases. Three-quarters (75%) of the upper class use a computer, compared to 62% of clerical workers and only 26% of unskilled workers. Once again, Internet access follows a similar pattern with only 9% of unskilled workers accessing the Internet, compared with 30% of clerical workers and 47% of the upper class (Table 1.5).

Consumers who surf the Web, utilize the Internet in a number of ways. This survey inquired about six specific activities consumers might undertake: (1) going to a web site to get information, (2) providing personal information to a web site, such as date of birth, age or address, (3) using a credit card to pay for information purchased on the Internet, (4) using a credit card to pay for goods or services purchased on the Internet, (5) conducting home banking online such as checking balances or paying bills, and (6) investing in the stock market or trading stocks online.

Of those consumers who access the Internet, a large majority (85%) report having gone to a web site to get information during the past year. However, just over one-third (37%) say they have provided personal information to a web site such as date of birth, age or address. Males are much more likely to have provided information than are females (43% vs. 28%) (Table 1.6a).

Using the Internet to conduct financial transactions is not commonplace in the U.K. About one-in-ten (12%) report having used a credit card to pay for information purchased on the Internet. A

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larger number, about one-in-five (19%) have used a credit card to pay for goods or services on the Internet. One in ten have conducted home banking online such as checking balances or paying bills (11%) and, only a handful (3%) say they have invested in the stock market or traded stocks online. Males are more likely than females to whip out the credit card for Internet purchases, with 16% vs. 7% paying for information and 27% vs. 7% purchasing goods and services (Table 1.6b).

This survey highlighted four industries that require some collection of personal information in order to complete transactions and also that utilize consumers' personal data for marketing purposes: (1) health, (2) financial services, (3) insurance, and (4) retail. Of consumers who access the Internet, almost half (49%) say they have surfed their way to retail sites, while more than one-third (39%) have visited financial services sites. Health sites and insurance sites have received the fewest mouse clicks at 17% and 9%, respectively.

Not unexpectedly, consumers from higher income households register a larger percentage visiting retail sites (64%) and financial sites (49%) than do other groups. Interestingly, health sites are visited by only 6% of consumers 50 years and older, a group some might think would be particularly interested in healthcare information. Insurance sites get more visits from consumers in the highly educated group than from less educated consumers (Exhibit 1.2 and Table 1.7).

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Table 1.1

**Interest in Information About New Consumer Products and Services:  
By Key Demographic Groups**

Q.110 In general, how interested are you in getting information from businesses about new consumer products or services – [very interested, somewhat interested, not very interested, or not at all interested]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>5</b>	<b>29</b>	<b>70</b>	<b>31</b>
<b>Sex</b>						
Male	(442)	%	6	31	69	33
Female	(560)	%	4	28	71	28
<b>Age</b>						
18-29 years	(191)	%	4	35	64	18
30-49 years	(419)	%	6	35	65	24
50+ years	(368)	%	4	22	77	43
<b>Education</b>						
GCSE/O Lev/Less	(553)	%	4	26	73	35
A Lev/Equiv	(158)	%	4	35	65	21
Deg/Mstr/PhD	(254)	%	6	37	63	26
<b>HH Income</b>						
£15,000 or less	(298)	%	6	27	71	36
£15,001 -£31,000	(284)	%	6	32	68	25
£31,001 -£46,000	(111)	%	3	39	61	13
More than £46,000	(77)	%	2	37	63	23
<b>Class</b>						
Upper Class (A/B)	(263)	%	7	36	64	26
Clerical (C1/C2)	(498)	%	5	32	68	27
Unskilled (D/E)	(241)	%	2	19	79	40

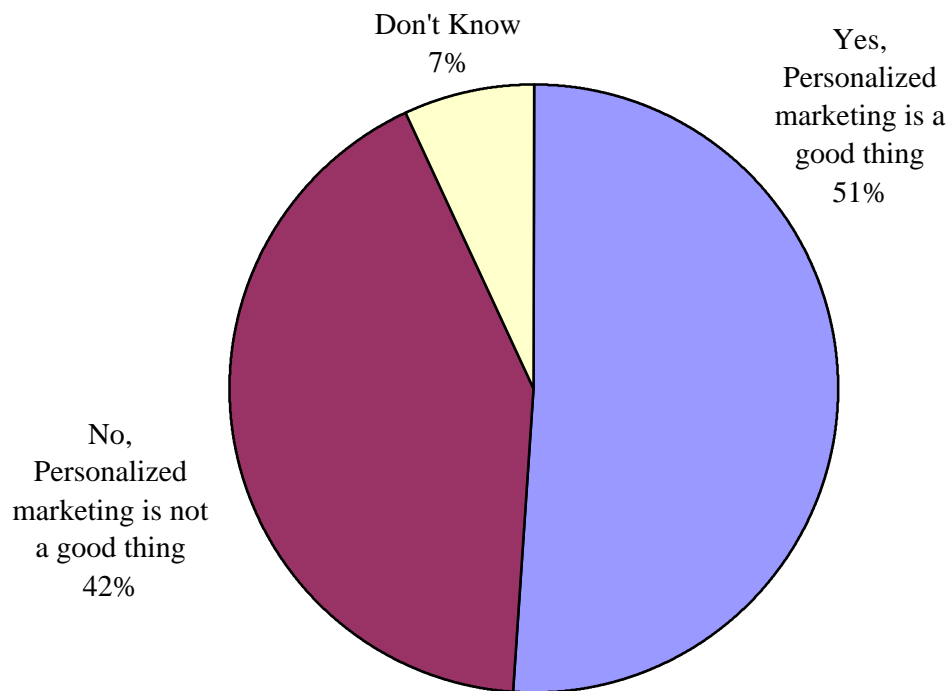
**Ref.:** B1/T2

## Exhibit 1.1

## Opinion about Personalized Marketing

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

## Personalized marketing is a good thing.



**Base:** All respondents (n=1,002)

Table 1.2a

**Opinion about Personalized Marketing: By Key Demographic Groups**

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

	<b>Base: All Respondents</b>		<b>Yes, is a good thing</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>51</b>
<b>Sex</b>			
Male	(442)	%	53
Female	(560)	%	50
<b>Age</b>			
18-29 years	(191)	%	65
30-49 years	(419)	%	57
50+ years	(368)	%	40
<b>Education</b>			
GCSE/O Lev/Less	(553)	%	49
A Lev/Equiv	(158)	%	53
Deg/Mstr/PhD	(254)	%	58
<b>HH Income</b>			
£15,000 or less	(298)	%	49
£15,001 -£31,000	(284)	%	58
£31,001 -£46,000	(111)	%	60
More than £46,000	(77)	%	62
<b>Class</b>			
Upper Class (A/B)	(263)	%	54
Clerical (C1/C2)	(498)	%	52
Unskilled (D/E)	(241)	%	47

**Ref.:** B1/T58



Table 1.2b

**The Appeal of Various Consumer Benefits in Exchange for Providing Personalized Information:  
By Key Demographic Groups**

- Q.355 In addition to customizing their marketing based on a consumer's particular interests and lifestyle, companies that engage in personalized marketing can also provide other benefits to consumers. Which ONE of the following THREE consumer benefits sounds MOST appealing to you in exchange for providing your personal information?
- D. Advance information on new products and services  
E. Product discounts  
F. Better customer service

	<b>Base: Personalized Marketing Is Good</b>		<b>Better customer service</b>	<b>Product discounts</b>	<b>Advance information</b>
<b>Total</b>	<b>(524)</b>	<b>%</b>	<b>51</b>	<b>36</b>	<b>10</b>
<b>Sex</b>					
Male	(241)	%	55	32	10
Female	(283)	%	47	39	10
<b>Age</b>					
18-29 years	(125)	%	40	45	10
30-49 years	(238)	%	52	34	12
50+ years	(154)	%	57	30	8
<b>Education</b>					
GCSE/O Lev/Less	(275)	%	51	36	9
A Lev/Equiv	(85)	%	45	40	13
Deg/Mstr/PhD	(148)	%	54	34	10
<b>HH Income</b>					
£15,000 or less	(153)	%	46	40	10
£15,001 -£31,000	(163)	%	52	37	10
£31,001 -£46,000	(67)	%	48	37	12
More than £46,000	(47)	%	61	22	14
<b>Class</b>					
Upper Class (A/B)	(142)	%	51	34	13
Clerical (C1/C2)	(266)	%	51	36	9
Unskilled (D/E)	(116)	%	50	36	9

**Ref.:** B1/T59

Table 1.3

## Past Year Purchase Behavior Offline: By Key Demographic Groups

Q.135 During the past year, have you personally (READ EACH ITEM), [or not]?

A: Bought something from a catalog or brochure sent to your residence

B: Bought any product or service offered to you by a telephone call to your residence.

	<b>Base: All Respondents</b>		<b>Bought by mail</b>	<b>Bought by telephone</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>49</b>	<b>5</b>
<b>Sex</b>				
Male	(442)	%	42	6
Female	(560)	%	55	4
<b>Age</b>				
18-29 years	(191)	%	49	4
30-49 years	(419)	%	53	7
50+ years	(368)	%	45	3
<b>Education</b>				
GCSE/O	(553)	%	49	6
Lev/Less				
A Lev/Equiv	(158)	%	46	4
Deg/Mstr/PhD	(254)	%	50	4
<b>HH Income</b>				
£15,000 or less	(298)	%	48	5
£15,001 -£31,000	(284)	%	52	8
£31,001 -£46,000	(111)	%	49	4
More than £46,000	(77)	%	62	4
<b>Class</b>				
Upper Class (A/B)	(263)	%	49	4
Clerical (C1/C2)	(498)	%	50	6
Unskilled (D/E)	(241)	%	46	3

**Ref.:** B1/T5

Table 1.4

## Technology Knowledge: By Key Demographic Groups

Q.105 How knowledgeable would you say you are when it comes to computer technology – [very knowledgeable, somewhat knowledgeable, not very knowledgeable, or not at all knowledgeable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>8</b>	<b>39</b>	<b>61</b>	<b>37</b>
<b>Sex</b>						
Male	(442)	%	12	43	56	34
Female	(560)	%	4	35	65	39
<b>Age</b>						
18-29 years	(191)	%	15	57	43	13
30-49 years	(419)	%	9	46	54	27
50+ years	(368)	%	3	24	76	57
<b>Education</b>						
GCSE/O Lev/Less	(553)	%	3	28	72	47
A Lev/Equiv	(158)	%	6	51	49	22
Deg/Mstr/PhD	(254)	%	20	61	39	18
<b>HH Income</b>						
£15,000 or less	(298)	%	4	28	72	51
£15,001 -£31,000	(284)	%	7	44	56	25
£31,001 -£46,000	(111)	%	21	68	32	9
More than £46,000	(77)	%	25	59	40	18
<b>Class</b>						
Upper Class (A/B)	(263)	%	15	54	45	25
Clerical (C1/C2)	(498)	%	8	42	58	31
Unskilled (D/E)	(241)	%	3	22	78	56

Ref.: B1/T1

Table 1.5

**Computer and Internet Use: By Key Demographic Groups**

- Q.163 Do you use a computer at home, at work, at school, or any other place, [or not]?
- Q.165 Do you currently access the Internet for e-mail or any other purpose, either at home, work, or school, or any other place, ONCE A MONTH OR MORE, [or not]?
- Q.170 Excluding e-mail, how many hours per week, on average, do you typically spend on the Internet/Web? If you are not sure of the exact number, please try to estimate. If you are unable to give an estimate, please enter 99. If less than one hour please enter "0"

	<b>Base: All Respondents</b>		<b>Yes, use computer</b>	<b>Yes, access the Internet</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>54</b>	<b>28</b>
<b>Sex</b>				
Male	(442)	%	59	35
Female	(560)	%	51	21
<b>Age</b>				
18-29 years	(191)	%	78	48
30-49 years	(419)	%	66	33
50+ years	(368)	%	32	13
<b>Education</b>				
GCSE/O Lev/Less	(553)	%	39	14
A Lev/Equiv	(158)	%	74	39
Deg/Mstr/PhD	(254)	%	84	55
<b>HH Income</b>				
£15,000 or less	(298)	%	32	15
£15,001 -£31,000	(284)	%	70	29
£31,001 -£46,000	(111)	%	92	55
More than £46,000	(77)	%	92	71
<b>Class</b>				
Upper Class (A/B)	(263)	%	75	47
Clerical (C1/C2)	(498)	%	62	30
Unskilled (D/E)	(241)	%	26	9

Ref.: B1/T34,35a

Table 1.6a

Information Exchange Online: By Key Demographic Groups

Q.180 During the past year have you personally (READ EACH ITEM)?

G. Gone to a web site to get information

H. Provided personal information to a web site, such as your date of birth, your age, or your address

	Base: Access the Internet		Yes, have:	
			Gone to get information	Provided information
<b>Total</b>	(299)	%	85	37
<b>Sex</b>				
Male	(166)	%	89	43
Female	(133)	%	80	28

Ref.: B1/T43

Table 1.6b

Financial Transactions Online: By Key Demographic Groups

- Q.180 During the past year have you personally (READ EACH ITEM)?
- I. Used a credit card to pay for information purchased on the Internet
  - J. Used a credit card to pay for goods or services purchased on the Internet
  - K. Conducted home banking online such as current balances or paying bills online
  - L. Invested in the stock market online or traded stocks online

Yes, have:

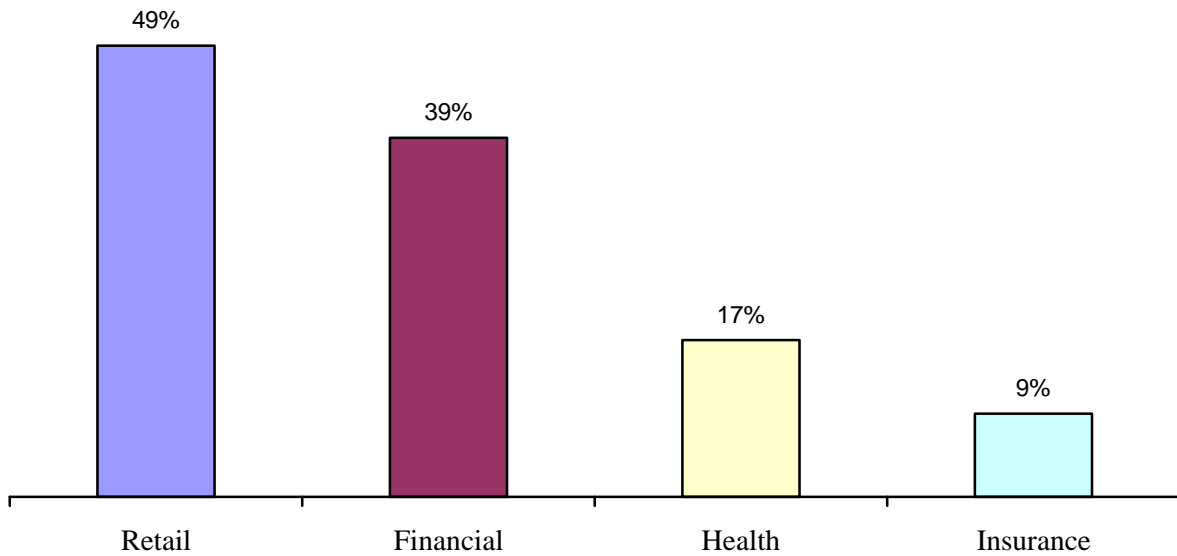
	<b>Base: Access the Internet</b>		<b>Used credit card for information</b>	<b>Used credit card for goods/services</b>	<b>Conducted home banking</b>	<b>Invested in stock market</b>
<b>Total</b>	(299)	%	12	19	11	3
<b>Sex</b>						
Male	(166)	%	16	27	12	3
Female	(133)	%	7	7	10	3

Ref.: B1/T43

Exhibit 1.2

Types of Web Sites Visited

- Q. 530 Which of the following Web sites, if any, have you EVER visited?
- A. Sites on health problems, healthcare, drugs, and pharmaceutical products
  - K. Sites on Financial Types, such as banks, credit cards, and investments
  - L. Sites offering any kind of insurance — such as life, health, accident, auto or residential
  - M. Sites from retail stores or catalogs offering consumer products of any kind



Base: Access to the Internet (n= 299)

Table 1.7

## Types of Web sites Visited: By Key Demographic Groups

Q. 530 Which of the following Web sites, if any, have you EVER visited?

- A. Sites on health problems, healthcare, medicine, and pharmaceutical products
- N. Sites on financial services, such as banks, credit cards, and investments
- O. Sites offering any kind of insurance — such as life, health, accident, auto or home
- P. Sites from retail stores or catalogs offering consumer products of any kind

	Base: Access the Internet		Yes, have visited type of site:			
			Retail	Financial services	Health	Insurance
<b>Total</b>	<b>(299)</b>	<b>%</b>	<b>49</b>	<b>39</b>	<b>17</b>	<b>9</b>
<b>Sex</b>						
Male	(166)	%	55	45	16	9
Female	(133)	%	40	30	19	9
<b>Age</b>						
18-29 years	(90)	%	54	35	14	7
30-49 years	(142)	%	49	45	25	11
50+ years	(61)	%	40	33	6	5
<b>Education</b>						
GCSE/O	(85)	%	49	36	11	3
Lev/Less						
A Lev/Equiv	(62)	%	39	32	20	7
Deg/Mstr/PhD	(143)	%	55	44	20	13
<b>HH Income</b>						
£15,000 or less	(46)	%	46	29	7	2
£15,001 -£31,000	(87)	%	44	39	28	12
£31,001 -£46,000	(62)	%	46	43	18	9
More than £46,000	(54)	%	64	49	14	13
<b>Class</b>						
Upper Class (A/B)	(130)	%	47	45	19	13
Clerical (C1/C2)	(148)	%	53	39	18	7
Unskilled (D/E)	(21) <sup>1</sup>	%	39	15	4	3

Ref.: B1/T78

<sup>1</sup> Caution small base



## Chapter 2: Consumers' Industry Confidence

Providing personal information is becoming an almost routine part of making ordinary consumer purchases. But, as requests for personal information on the part of businesses' increase, how comfortable are consumers in providing that information and how confident are they that their personal information is handled appropriately? This survey looked in some detail at consumer attitudes towards the healthcare, financial, insurance and retail industries – businesses that are major requestors and users of personal consumer information.

### Industry Comparison of Consumer Confidence Levels

This survey examined four major industries – health, financial services, insurance and retail – and ten sectors within those industries. In an industry and sector comparison of the degree of confidence consumers have that their personal information is handled properly and confidentially, banks engender the greatest trust among consumers, with 76% reporting they are “very” or “somewhat” confident.

The sector that is a close second is healthcare providers in which 73% of consumers say they are very or somewhat confident. The second sector of the health industry, pharmaceutical firms, also garners a relatively high degree of consumer confidence at 67%.

This is followed by just over half (53%) of consumers reporting they are very or somewhat confident in large department stores.

Credit card companies, life insurance companies and property insurance companies each earn the confidence of about half of consumers.

Health insurance companies and companies that sell their products and services by catalog only gain the confidence of a minority of consumers at 42% each.

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Trailing considerably, in last place, are the companies that sell their products and services over the Internet – only 13% of the British public feel very or somewhat confident that these companies handle personal information properly and confidentially (Exhibit 2.1 and Table 2.1).

## **A Closer Look at Industry Segments and Respondent Groups**

### ***Healthcare Industry***

Looking at the health care industry in depth, almost three-quarters (73%) of consumers are very or somewhat confident in healthcare providers and just over two-thirds (67%) are very or somewhat confident in pharmaceutical companies. It is notable that to a quite sharp degree, confidence in both industry sectors declines as age increases. For example, 85% of 18-29 year olds are very or somewhat confident in healthcare providers, but this falls to 74% of consumers in the 30-49 year old age group and to 67% among consumers 50 years and older (Table 2.2).

### ***Financial Services Industry***

With 76% of consumers very or somewhat confident about the handling of their personal information, banks engender solid confidence ratings across all the demographic groups. There is a slight tendency for confidence in banks to decrease as consumers' age increases. Credit card companies fare less well in comparison. Just under half (49%) of consumers say they are very or somewhat confident in this sector. Among some consumer groups, there is a marked drop in this percentage. For instance, while 57% of 18-29 year olds have confidence in how credit cards handle their personal information, only 41% of consumers 50 years and older feel likewise. Interestingly, upper class consumers and higher income consumers have greater confidence than do consumers of lower socioeconomic class and household income (Table 2.3).

### ***Insurance Industry***

Consumers view the three segments of the insurance industry examined in this survey – health, life and property – somewhat similarly. Less than a majority of consumers say they are very or somewhat confident in the three types of companies (50% for property, 49% for life, and 42%

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for health). Property and life insurance companies score very close across the board in all the demographic subgroups. Health insurance companies do considerably less well among older consumers and the highest educated consumers compared to the other types of companies (Table 2.4).

### ***Retail Industry***

When retail establishments are compared, dramatic differences emerge among the three industry segments – catalog sales, department stores, and Internet sales. Overall confidence levels for the three are 42%, 53%, and 13%, respectively. The fact that confidence levels are the highest for the department store segment suggests that face-to-face interaction may play some role in engendering consumer confidence in the retail arena. Also, of the three industry sectors, department stores are the most established, followed by catalogs, and -- the relative newcomer – the Internet. Differing degrees of familiarity with the various types of retail entities also is a possible explanation for the disparity in confidence reported by consumers (Exhibit 2.2 and Table 2.5a).

Looking at demographic differences, in all three sectors, confidence declines as age increases, and upper class consumers tend to have slightly more confidence than other socioeconomic groups. For department stores and Internet sales companies, confidence tends to rise with education levels, but for catalog sales confidence falls as education rises (Table 2.5a).

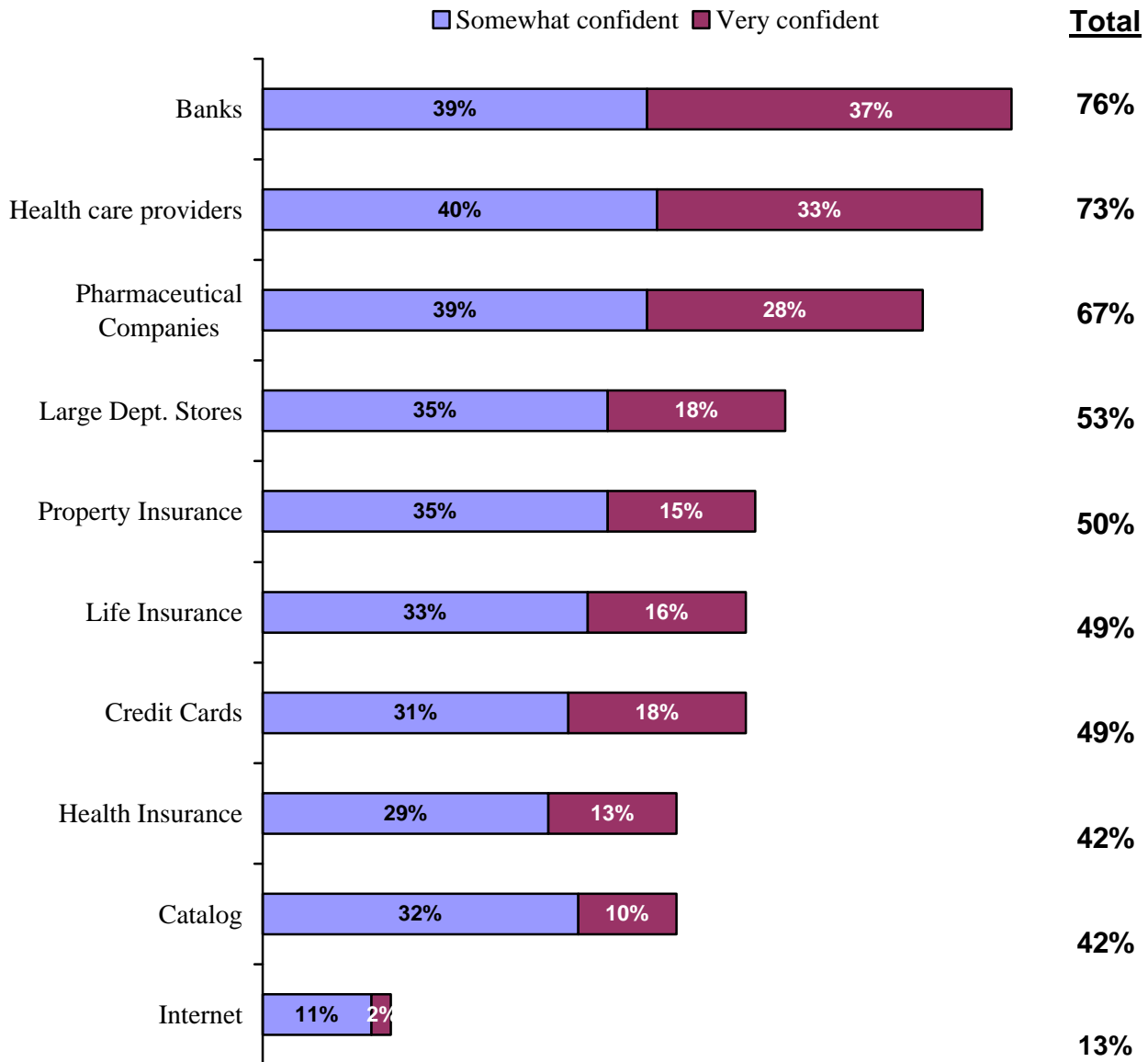
When data for the retail industry are considered by key consumer groups, an expected pattern emerges. For all three industry sectors, consumers who say they are interested in product and service information have greater levels of confidence than those who do not. Not surprisingly, consumers who have purchased in the past year from a mail order catalog or telephone call are more than twice as likely as consumers who have not to be very or somewhat confident in companies that sell through catalogs (56% vs. 27%). Also, not surprisingly, greater consumer confidence in all three types of retail companies exists among those consumers who think personalized marketing is a good thing versus those who do not. (Table 2.5b).

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Exhibit 2.1

**Confidence in Various Industries**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]



**Base:** All respondents (n=1,002)

Table 2.1

Confidence in Various Industries

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Banks</b> that provide current accounts and savings accounts	(1002)	%	37	76	20	7
<b>Healthcare providers</b> such as hospitals and other healthcare facilities	(1002)	%	33	73	19	6
Companies that sell <b>prescription and over-the-counter medicinal products</b>	(1002)	%	28	67	20	6
<b>Large department stores</b> such as John Lewis or House of Frazer	(1002)	%	18	53	23	7
<b>Credit card</b> companies	(1002)	%	18	49	31	10
<b>Life insurance</b> companies	(1002)	%	16	49	33	10
<b>Property insurance</b> companies, such as companies that sell accident, auto, and home insurance	(1002)	%	15	50	35	10
<b>Health insurance</b> companies	(1002)	%	13	42	32	11
Companies that sell their products and services by <b>catalog</b> only	(1002)	%	10	42	42	13
Companies that sell their products and services over the <b>Internet</b>	(1002)	%	2	13	38	16

Ref.: B1/T16-19

Table 2.2

**Confidence in Healthcare Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How confident are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- C. Healthcare providers such as hospitals and other healthcare facilities
- D. Companies that sell prescription and over-the-counter medicine products

	Base: All Respondents	%	Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>33</b>	<b>73</b>	<b>28</b>	<b>67</b>
<b>Sex</b>						
Male	(442)	%	31	71	26	63
Female	(560)	%	36	75	30	70
<b>Age</b>						
18-29 years	(191)	%	43	85	39	79
30-49 years	(419)	%	32	74	28	71
50+ years	(368)	%	30	67	24	57
<b>Education</b>						
GCSE/O Lev/Less	(553)	%	35	74	29	68
A Lev/Equiv	(158)	%	38	78	33	70
Deg/Mstr/PhD	(254)	%	29	70	22	63
<b>HH Income</b>						
£15,000 or less	(298)	%	37	75	30	63
£15,001 -£31,000	(284)	%	30	76	30	71
£31,001 -£46,000	(111)	%	30	74	28	68
More than £46,000	(77)	%	31	79	24	71
<b>Class</b>						
Upper Class (A/B)	(263)	%	27	71	27	65
Clerical (C1/C2)	(498)	%	35	73	26	68
Unskilled (D/E)	(241)	%	36	75	33	66

Ref.: B1/T6,7

Table 2.3

**Confidence in Financial Services Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How confident are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- K. Banks that provide current accounts and savings accounts
- L. Credit card companies

	Base: All Respondents	%	Banks		Credit Card Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>		<b>37</b>	<b>76</b>	<b>18</b>	<b>49</b>
<b>Sex</b>						
Male	(442)	%	35	73	19	48
Female	(560)	%	39	78	18	49
<b>Age</b>						
18-29 years	(191)	%	48	83	27	57
30-49 years	(419)	%	34	76	17	52
50+ years	(368)	%	36	73	16	41
<b>Education</b>						
GCSE/O Lev/Less	(553)	%	39	77	18	46
A Lev/Equiv	(158)	%	40	80	25	59
Deg/Mstr/PhD	(254)	%	31	73	17	53
<b>HH Income</b>						
£15,000 or less	(298)	%	41	76	15	41
£15,001 -£31,000	(284)	%	35	76	19	56
£31,001 -£46,000	(111)	%	34	78	23	60
More than £46,000	(77)	%	39	80	22	62
<b>Class</b>						
Upper Class (A/B)	(263)	%	38	80	22	60
Clerical (C1/C2)	(498)	%	36	75	21	50
Unskilled (D/E)	(241)	%	39	73	12	38

Ref.: B1/T8,9

Table 2.4

Confidence in Insurance Industry: By Key Demographic Groups

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How confident are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- M. Health insurance companies
- N. Life insurance companies
- O. Property insurance companies, such as companies that sell accident, auto, and home insurance

Insurance Companies

	Base: All Respondents	%	Health		Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>		<b>13</b>	<b>42</b>	<b>16</b>	<b>49</b>	<b>15</b>	<b>50</b>
<b>Sex</b>								
Male	(442)	%	13	40	14	47	15	48
Female	(560)	%	13	45	18	51	15	51
<b>Age</b>								
18-29 years	(191)	%	18	53	18	51	18	54
30-49 years	(419)	%	9	41	14	47	13	48
50+ years	(368)	%	13	38	18	51	17	50
<b>Education</b>								
GCSE/O Lev/Less	(553)	%	13	42	18	53	17	50
A Lev/Equiv	(158)	%	20	52	16	47	13	50
Deg/Mstr/PhD	(254)	%	8	38	13	44	12	49
<b>HH Income</b>								
£15,000 or less	(298)	%	14	44	20	52	21	53
£15,001 -£31,000	(284)	%	9	41	14	50	11	50
£31,001 -£46,000	(111)	%	9	41	12	47	12	41
More than £46,000	(77)	%	14	48	17	54	11	57
<b>Class</b>								
Upper Class (A/B)	(263)	%	11	41	12	47	13	50
Clerical (C1/C2)	(498)	%	12	44	16	51	13	49
Unskilled (D/E)	(241)	%	16	41	20	49	20	51

Ref.: B1/T10-12

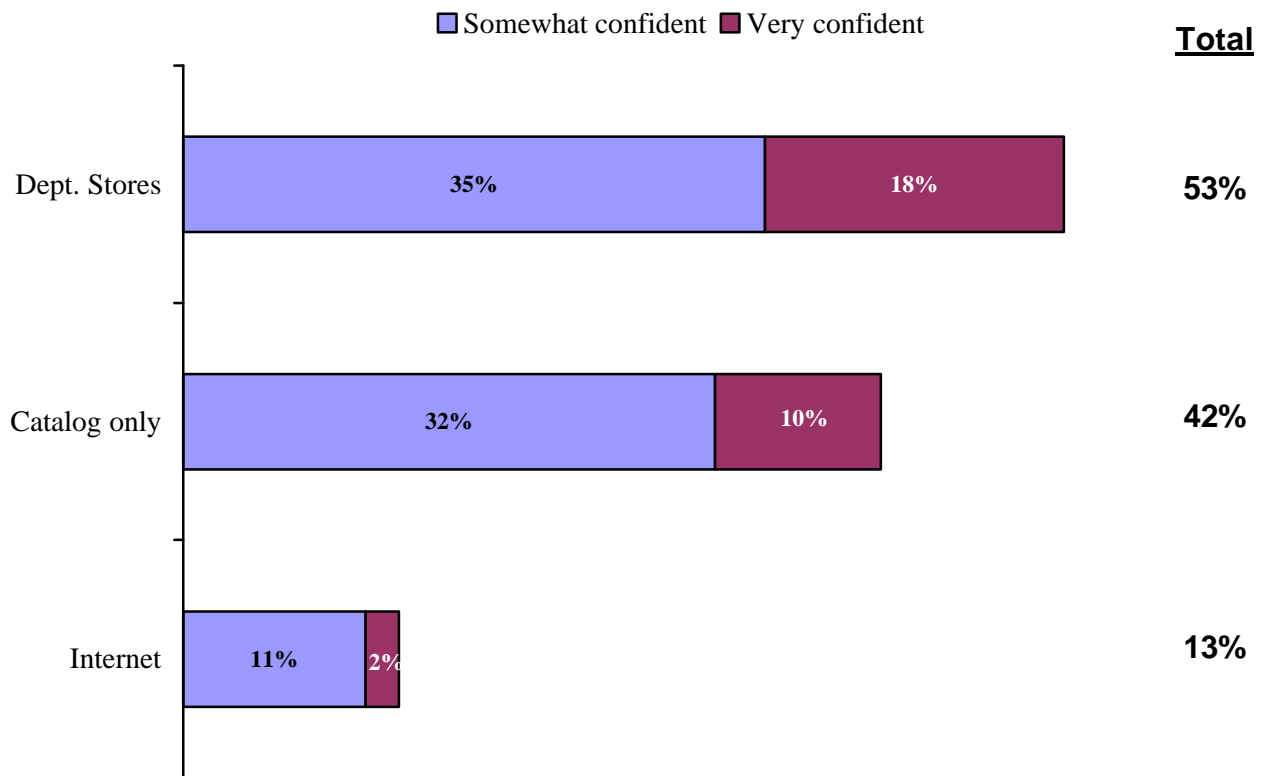


Exhibit 2.2

Confidence in Retail Industry

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- N. Companies that sell their products and services by catalog only
- O. Large department stores such as John Lewis or House of Frazer
- P. Companies that sell their products and services over the Internet



Base: All respondents (n=1,002)

Table 2.5a

**Confidence in Retail Industry: By Key Demographic Groups**

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How confident are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- H. Companies that sell their products and services by catalog only
- I. Large department stores such as John Lewis or House of Frazer
- J. Companies that sell their products and services over the Internet

**Retail Establishments**

	Base: All Respondents (1002)	%	Catalog Sales		Department Stores		Internet Sales	
			Very 10	Very/ Somewhat 42	Very 18	Very/ Somewhat 53	Very 2	Very/ Somewhat 13
<b>Total</b>								
<b>Sex</b>								
Male	(442)	%	8	38	17	54	2	16
Female	(560)	%	11	45	19	53	2	10
<b>Age</b>								
18-29 years	(191)	%	9	51	20	62	2	21
30-49 years	(419)	%	10	41	15	54	3	15
50+ years	(368)	%	9	39	20	49	2	7
<b>Education</b>								
GCSE/O Lev/Less	(553)	%	11	47	17	51	1	11
A Lev/Equiv	(158)	%	12	35	20	53	2	11
Deg/Mstr/PhD	(254)	%	6	35	21	62	3	18
<b>HH Income</b>								
£15,000 or less	(298)	%	12	48	19	47	2	10
£15,001 -£31,000	(284)	%	7	43	18	61	2	12
£31,001 -£46,000	(111)	%	6	35	19	56	1	22
More than £46,000	(77)	%	5	37	20	69	3	19
<b>Class</b>								
Upper Class (A/B)	(263)	%	6	42	21	60	3	20
Clerical (C1/C2)	(498)	%	9	40	18	54	1	11
Unskilled (D/E)	(241)	%	14	46	17	48	2	2

Ref.: B1/T13-15

Table 2.5b

**Confidence in Retail Industry: By Key Consumer Groups**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How confident are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- H. Companies that sell their products and services by catalog only
  - I. Large department stores such as John Lewis or House of Frazer
  - J. Companies that sell their products and services over the Internet

	<b>Retail Establishments</b>							
	<b>Base: All Respondents</b>		<b>Catalog Sales</b>		<b>Department Stores</b>		<b>Internet Sales</b>	
			<b>Very</b>	<b>Very/ Somewhat</b>	<b>Very</b>	<b>Very/ Somewhat</b>	<b>Very</b>	<b>Very/ Somewhat</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>10</b>	<b>42</b>	<b>18</b>	<b>53</b>	<b>2</b>	<b>13</b>
<b>Interest in Product and Service Information</b>								
Very/SW	(307)	%	11	46	22	61	3	21
Not Very/Not at all	(690)	%	9	40	17	50	1	10
<b>Past Year Catalog/ Telephone Purchase</b>								
Yes	(518)	%	13	56	19	56	2	13
No	(484)	%	6	27	17	51	2	13
<b>Think Personalized Marketing a Good Thing</b>								
Yes	(524)	%	10	48	19	59	2	16
No	(412)	%	9	34	18	48	2	9

Ref.: B2/T13,14,15

### Chapter 3: Privacy Attitudes and Experiences

This chapter examines the attitudes of the British public towards the privacy of personal information, and the experiences some consumers have in their dealings with the businesses that use their personal information to provide and advertise products and services.

#### Attitudes About Privacy

Almost one-quarter (23%) of the British public report that they have personally been a victim of what they felt was an improper invasion of privacy by a business. Higher educated consumers are more likely to report having been victims than those with only an GCSE/O Level or less education (30% vs. 20%), and consumers from the highest household income group are twice as likely as consumers from the lowest household income group to have been victimized (36% for those with household incomes or more than £46,000 vs. 18% for those with household incomes of £15,000 or less). For upper class workers (27%) are also more likely to believe that they have suffered an invasion of privacy compared with unskilled workers (Table 3.1).

A majority of British consumers (68%) agree strongly or somewhat with the statement that “consumers have lost all control over how personal information is collected and used by companies.” An equal percentage of consumers (68%) agree with the statement that “it is impossible to protect consumer privacy in the computer age.” Despite this pessimistic view, a small majority of respondents (58%) also agree that “most businesses handle the personal information they collect about consumers in a proper and confidential way.” And, just under two-thirds (63%) think that “existing laws and organizational practices in the U.K. provide a reasonable level of consumer privacy protection today” (Exhibit 3.1 and Table 3.2a).

Respondents who access the Internet were asked if they agreed with two additional statements concerning online businesses. Here, almost two-thirds (64%), of respondents strongly or somewhat agree that “the benefits of using the Internet to get information, send e-mail, and to shop far outweigh the privacy problems that are currently being worked on today.” More than

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half (57%) somewhat or strongly agree that “business web sites are doing a better job these days providing privacy notices and informing visitors how any personal information collected will be used.” Given that Britons, in general, indicate a quite low level of confidence in online businesses in the handling of their personal information (see Table 2.1), it is not surprising that this number is relatively low (Table 3.2a).

### **Classifying Consumers by Degree of Privacy Concern**

Thus far, discussion has focused on the responses to specific questions about consumer attitudes. From four sets of these attitudinal questions it is possible to identify consumers who fit one or more of the following descriptions: (1) lack interest in receiving product and service information, (2) view personalized marketing negatively, (3) have little confidence in the way businesses handle consumer information, and (4) believe current laws in the United Kingdom are inadequate to protect consumers. Consumers whose attitudes are characterized by three or four of these qualities are considered to have a “High” degree of Privacy Concern, while those fitting one or two aspects of the profile can be considered “Medium” in term of Privacy Concern; otherwise, they are classified as having “Low” Privacy Concern.

Roughly two-thirds of the respondents (64%) fall into the “Medium” Privacy Concerned category, with one-quarter (25%) in the “High” category and the rest in the “Low” category (11%). In terms of group membership, there are some differences, with more males than females falling into the “High” category (29% vs. 21%), and membership in the “High” category increasing with age, from 15% of 18-29 year olds, to 24% of 30-49 year olds, rising to almost one-third (31%) of consumers 50 years and older. Otherwise, the mix of education and household income levels represented in each group fall rather close to the overall averages for each. These general categories of High, Medium and Low privacy concern will be used in subsequent chapters to examine the responses to a variety of attitudinal questions (Table 3.2b).

When it comes to the possible misuse of personal information in the U.K. today, more than three-quarters (79%) of the British public say they are very or somewhat concerned. This sentiment is quite consistent across all the major demographic groups. When considered by

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some of the key privacy groups, not surprisingly, sharp differences can be discerned. Among consumers who report having been victims of a privacy invasion, the vast majority (91%) are very or somewhat concerned about the misuse of their personal information (this is vs. 76% of those who have not been victims (Table 3.3a and 3.3b).

Among consumers who access the Web, almost three-quarters (73%) say they are very or somewhat concerned about threats to their personal privacy today when using the Internet. The level of concern is also high (43% very concerned) among those who have purchased information, goods or services on the Internet. This compares to only 39% (very concerned) among respondents who have gone to a web site for information (Table 3.4 and Exhibit 3.2).

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Table 3.1

**Victim of Improper Invasion of Privacy: By Key Demographic Groups**

Q.230 As a consumer, have YOU personally ever been the victim of what you felt was an improper invasion of privacy by a business, [or not]?

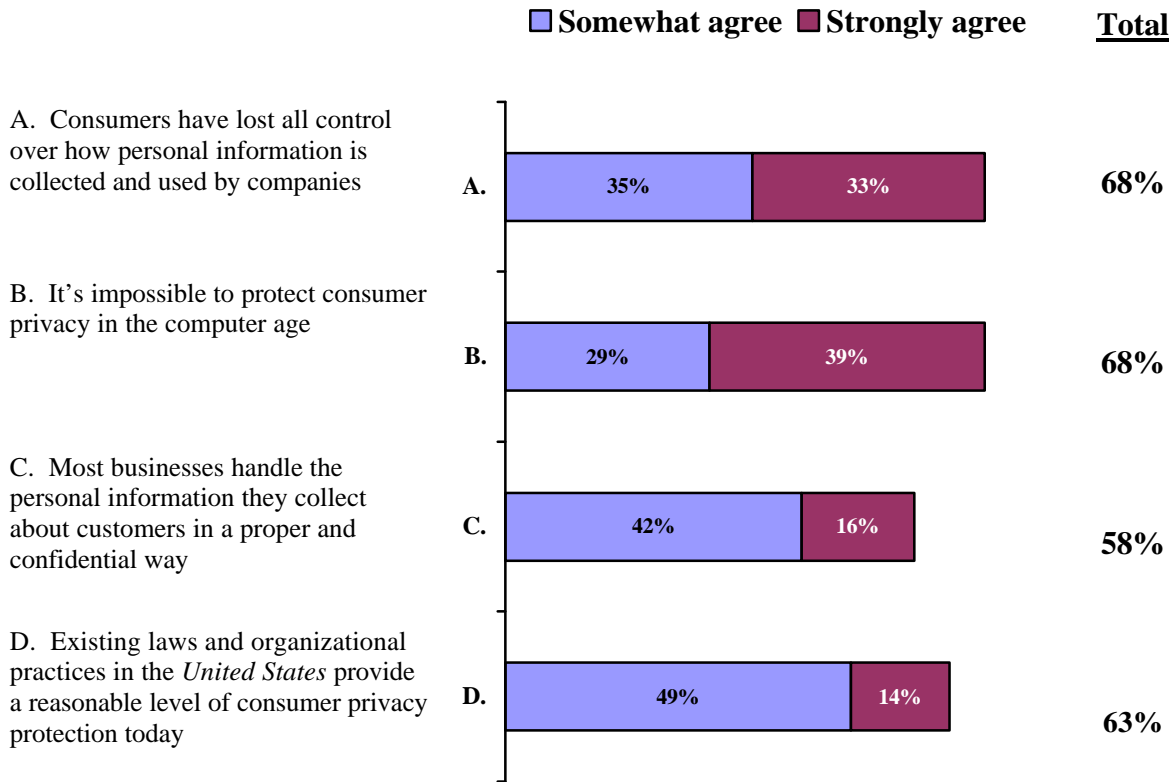
	<b>Base: All Respondents</b>	<b>%</b>	<b>Yes, have been victim</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>23</b>
<b>Sex</b>			
Male	(442)	%	24
Female	(560)	%	22
<b>Age</b>			
18-29 years	(191)	%	17
30-49 years	(419)	%	29
50+ years	(368)	%	20
<b>Education</b>			
GCSE/O	(553)	%	20
Lev/Less			
A Lev/Equiv	(158)	%	24
Deg/Mstr/PhD	(254)	%	30
<b>HH Income</b>			
£15,000 or less	(298)	%	18
£15,001 -£31,000	(284)	%	27
£31,001 -£46,000	(111)	%	31
More than £46,000	(77)	%	36
<b>Class</b>			
Upper Class (A/B)	(263)	%	27
Clerical (C1/C2)	(498)	%	26
Unskilled (D/E)	(241)	%	15

**Ref.:** B1/T46

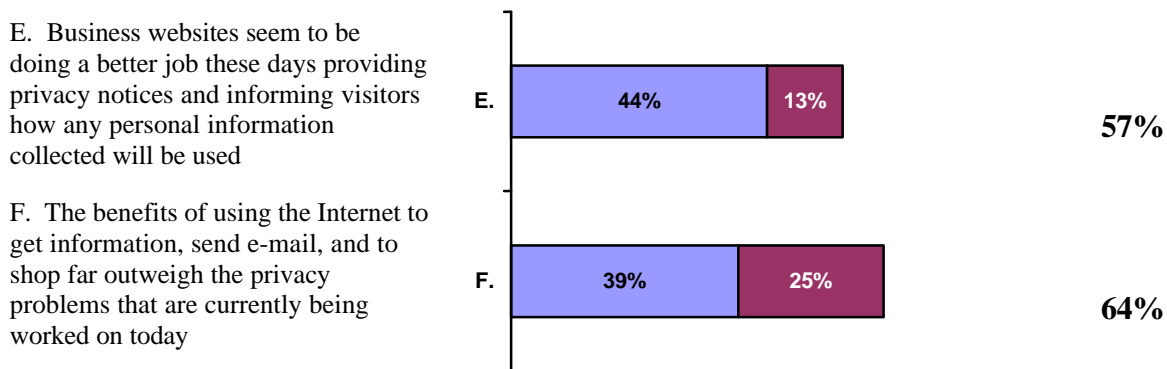
Exhibit 3.1

Privacy Attitudes

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?



A.-D.: Base: All respondents (n=1,002)



E.& F.: Base: Access the internet (n=299)



Table 3.2a

Privacy Attitudes

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

	Base: All Respondents	%	Agree		Disagree	
			Strongly	Strongly/ Somewhat	Strongly/ Somewhat	Strongly
<b>Total</b>	<b>(1002)</b>					
It's impossible to protect consumer privacy in the computer age	(1002)		39	68	25	10
Consumers have lost all control over how personal information is collected and used by companies	(1002)	%	33	68	26	7
Most businesses handle the personal information they collect about customers in a proper and confidential way	(1002)		16	58	34	11
Existing laws and organizational practices in the <i>U.K.</i> provide a reasonable level of consumer privacy protection today	(1002)	%	14	63	29	10
	<b>Base: Access the Internet</b>					
The benefits of using the Internet to get information, send e-mail, and to shop far outweigh the privacy problems that are currently being worked on today	(299)	%	25	64	29	11
Business web sites seem to be doing a better job these days providing privacy notices and informing visitors how any personal information collected will be used	(299)	%	13	57	23	6

Ref.:B1/T47-52

Table 3.2b

## Privacy Concern: By Key Demographic Groups

**Attitudes include:**

5. Not very/not at all interested in getting information from businesses about new consumer products or services.
6. No, personalized marketing is not a good thing.
7. Most businesses handle the personal information they collect about customers in a proper and confidential way – somewhat/strongly disagree
8. Existing laws and organizational practices in *the United Kingdom* provide a reasonable level of consumer privacy protection today – somewhat/strongly disagree

	Base: All Respondents		Privacy Concern		
			High (3-4)	Medium (1-2)	Low (None)
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>25</b>	<b>64</b>	<b>11</b>
<b>Sex</b>					
Male	(442)	%	29	60	12
Female	(560)	%	21	68	11
<b>Age</b>					
18-29 years	(191)	%	15	69	16
30-49 years	(419)	%	24	63	14
50+ years	(368)	%	31	62	7
<b>Education</b>					
GCSE/O Lev/Less	(553)	%	24	66	9
A Lev/Equiv	(158)	%	25	61	14
Deg/Mstr/PhD	(254)	%	26	59	15
<b>HH Income</b>					
£15,000 or less	(298)	%	27	61	12
£15,001 -£31,000	(284)	%	23	64	13
£31,001 -£46,000	(111)	%	24	59	16
More than £46,000	(77)	%	22	64	13
<b>Class</b>					
Upper Class (A/B)	(263)	%	26	61	13
Clerical (C1/C2)	(498)	%	24	63	13
Unskilled (D/E)	(241)	%	25	67	7

Ref.: B1/T57a

Table 3.3a

**Concern About Misuse of Personal Information: By Key Demographic Groups**

Q.220 How concerned are you about the possible misuse of your personal information in *the U.K.* today—[are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?<sup>1</sup>

	Base: All Respondents		% Concerned about misuse			
			Very	Very/ Somewhat	Not very/ not at all	Not at all
<b>Total</b>	<b>(806)</b>	<b>%</b>	<b>44</b>	<b>79</b>	<b>20</b>	<b>4</b>
<b>Sex</b>						
Male	(353)	%	46	79	21	6
Female	(453)	%	43	79	19	3
<b>Age</b>						
18-29 years	(157)	%	36	77	23	5
30-49 years	(331)	%	46	84	15	2
50+ years	(298)	%	46	76	23	6
<b>Education</b>						
GCSE/O Lev/Less	(457)	%	46	81	18	5
A Lev/Equiv	(125)	%	38	77	22	3
Deg/Mstr/PhD	(200)	%	42	78	22	3
<b>HH Income</b>						
£15,000 or less	(240)	%	44	76	23	6
£15,001 -£31,000	(226)	%	53	86	14	1
£31,001 -£46,000	(90)	%	41	82	17	1
More than £46,000	(65)	%	38	83	17	3
<b>Class</b>						
Upper Class (A/B)	(190)	%	41	81	19	4
Clerical (C1/C2)	(418)	%	43	80	20	5
Unskilled (D/E)	(198)	%	48	76	22	4

Ref.: B1/T44b

<sup>1</sup> Note reduced base size due to change in question wording after 196 completed interviews.

Table 3.3b

## Concern About Misuse of Personal Information: By Key Privacy Groups

Q.220 How concerned are you about the possible misuse of your personal information in *the U.K.* today—[are you very concerned, somewhat concerned, not very concerned, or not at all concerned]? <sup>1</sup>

	<u>Base: All Respondents</u>		<u>Very</u>	<u>Very/ Somewhat</u>	<u>Not very/ not at all</u>	<u>Not at all</u>
<b>Total</b>	<b>(806)</b>	<b>%</b>	<b>44</b>	<b>79</b>	<b>20</b>	<b>4</b>
<b>Victim of Privacy Invasion</b>						
Yes	(195)	%	56	91	9	1
No	(604)	%	40	76	24	5
<b>Privacy Concern</b>						
High	(183)	%	54	86	14	5
Medium	(522)	%	40	76	23	4
Low	(101)	%	44	82	17	6

**Ref.:** B4/T44b

<sup>1</sup> Note reduced base size due to change in question wording after 196 completed interviews.

Table 3.4

**Concern About Misuse of Personal Information When Using the Internet**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	<b>Base: Access the Internet</b>
<b>Total</b>	<b>(299)</b> %
<b><u>Very/Somewhat (Net)</u></b>	<b><u>73</u></b>
Very	42
Somewhat	31
<b><u>Not very/Not at all (Net)</u></b>	<b><u>26</u></b>
Not very	23
Not at all	2

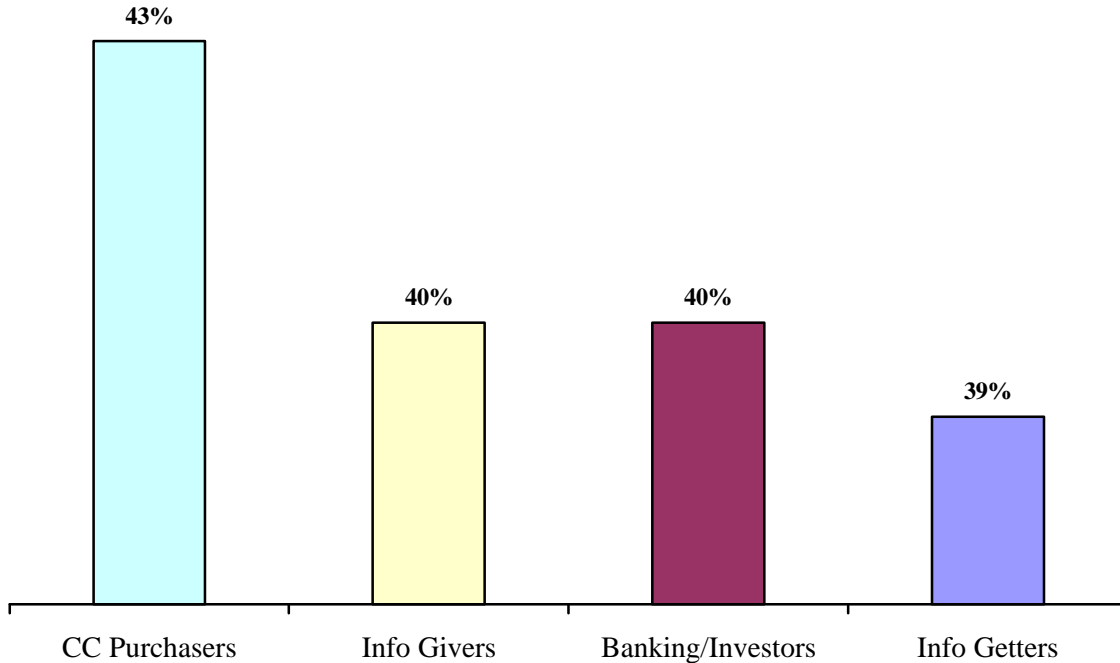
**Ref.:** B1/T45

**Exhibit 3.2**

**Concern About Misuse of Personal Information when Using the Internet**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

**Percentage Very Concerned.**



**Base:** Access the Internet (n= 299)

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<b>Information Getters:</b>	Respondents who have gone to a web site for information in the past year. (n= 253)
<b>Information Givers:</b>	Respondents who have provided personal information to a website, such as date of birth, age, or address. (n= 107)
<b>Credit Card Purchasers:</b>	Respondents who have used a credit card to pay for information or goods and services purchased on the internet. (n= 63)
<b>Banking/Investors:</b>	Respondents who have conducted home banking or have invested in the stock market online. (n= 37)

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## Chapter 4: Privacy Protection Behaviors — Offline

Quite clearly, as has already been discussed in previous chapters, a majority of British citizens are concerned about the handling and possible misuse of personal information by some businesses. But, to what extent does this concern translate into actions on the part of the public to take steps to protect and limit access to their personal information? This chapter explores the answers to this and related questions.

This chapter looks at “offline” behaviors, that is, steps consumers take to deal with the use of their personal information in the offline world of in-person, mail and telephone consumer transactions. “Online” behaviors undertaken by consumers who use the Internet to make purchases, are discussed in Chapter 5.

The survey examined six types of behaviors to assess how willing people are to take action in light of their privacy concerns. These behaviors include: (1) asking a company to remove a name and address, (2) asking a company not to sell one’s information, (3) asking a company to examine personal files, (4) inquiring about privacy policies, (5) refusing to give information, and (6) deciding not to use or purchase something because of concerns about personal information.

### *“Remove My Name and Address From Your Files”*

Just over one-quarter (29%) of British consumers have asked a company to remove their name and address from any lists it uses for marketing purposes. Almost one-third (32%) of males say they have taken this step compared to one-quarter (26%) of females. Also the likelihood of asking for removal of one’s name rises sharply with education and income. Consumers in the highest education and highest household income groups are twice as likely as households in the lowest education and lowest income groups to ask for name removal. Consumers in the higher classes are also more likely to ask for name removal than unskilled workers (Table 4.1a and Exhibit 4.1).

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Not surprisingly, consumers who report having been victims of a privacy invasion are almost twice as likely to have asked for removal of their name and address from a marketer's list than those who have not been victimized (46% vs. 24%) (Table 4.1b).

### ***“Do Not Sell or Give Away My Name”***

Fifty-four percent of consumers report that they have, on at least one occasion, asked a company not to sell or give their name and address to another company. Higher educated consumers are more likely to have done so than those with a GCSE/O Level education or less. For example, 42% of consumers with household incomes of £15,000 or less have taken this action, but this figure rises to at least 70% of those in households with incomes of £31,001 or more. Also, males are more likely than females to prevent the transfer of their name and address (58% vs. 50%), as are members of the upper classes. Again, consumers who have been victims of a privacy invasion are much more likely to take steps to limit the use of their name and address compared to those consumers who have not been victims.(Table 4.1a, 4.1b and Exhibit 4.1).

### ***“I'd Like to See What's In My File”***

Interestingly, only one-in-ten (10%) of consumers actually have taken the step of asking a company to see what personal information, besides billing information, they had about the consumer in their customer records. Across the various demographic groups, younger consumers, higher educated consumers, and consumers in households with higher incomes are slightly more likely than are other groups to take this action (Tables 4.1a and 4.1b and Exhibit 4.1).

### ***“What is Your Company's Policy On How You Will Use My Personal Information?”***

Just one-in-ten consumers (11%) report that they personally have inquired about or looked to see whether a business or service they were thinking of using had any policies on how it would use the consumer information it collects.

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Males are more likely than females to have made an inquiry (14% vs. 9%), as are higher educated and higher income consumers versus lower educated and lower income consumers. For example, only 8% of consumers in households with incomes of £15,000 or less have taken this action compared to 20% of consumers in households with incomes of more than £46,000. Members of the upper class are three times more likely to inquire about privacy than unskilled workers (18% vs. 6% respectively) (Table 4.2a).

Overall, the group most likely to have inquired about privacy policies are consumers who report they have been a victim of a privacy invasion (19%) (Table 4.2b and Exhibit 4.1).

***“I Refuse to Give Your Company That Information Because It is Unnecessary and Too Personal”***

A slight majority of consumers (58%) say they have refused to give information to a business or company because they thought it was not really needed or was too personal. Males are more likely than females to have taken this step (62% vs. 53%). Also, almost two-thirds (63%) of 30-49 year olds say they have refused to provide information, placing them ahead of younger and older consumers in this category. Refusal to provide information is more likely among higher educated consumers (69% for university grads), higher classes (66% upper class members) and higher income groups (70% of those consumers in households with incomes of more than £46,000). Those consumers classified as having a “High” degree of Privacy Concern, also score high in refusal to provide information (67%) as do the consumers who say they have been victims of a privacy invasion, who lead all other groups at 73% (Tables 4.2a and 4.2b).

***“I Will Not Purchase This Because I Am Not Sure How You Will Use My Personal Information”***

About one-third of all consumers in the survey (32%) say they have decided not to use or purchase something from a company because they were not sure how the company would use their personal information. This behavior generally increases with class level (37% of upper class members) and education, with 41% of consumers with university degrees having made this

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decision compared to 29% of consumers with either an A Level or GCSE/O Level education (Table 4.2a).

Not surprisingly, almost half (49%) of those consumers who say they have been a victim of a privacy invasion have refused to make a purchase because of privacy considerations (compared to 26% of those who haven't experienced a privacy invasion). A gap also exists among those consumers who are very concerned about the misuse of data in general versus those who are not, with 41% of the former having had decline a purchase as compared to 25% for the latter (Table 4.2b).

### **Classifying Consumers by Offline Behaviors**

Table 4.3 takes a simultaneous look at the six consumer actions just discussed (see Exhibit 4.1 for a graphical summary of measures on all six). Consumers can be classified according to the extent they have engaged in any of these actions to protect the privacy of their personal information. Of the six behaviors listed, those who have engaged in at least five of these may be considered to have a "High" level of Privacy Protection Behaviors; those who have done three to four can be said to have a "Medium" level, and those with experience in two or fewer such behaviors may be classified as having a "Low" level of such behavior. Only 6% of consumers fall into the "High" category, while 29% can be classified as "Medium." By far, most British consumers (64%) fall into the "Low" category. These categories are used in subsequent chapters of this report to examine the responses to selected attitudinal questions.

A few differences are apparent in these categories across demographic groups. For example, membership in the "Medium" and "High" categories tends to increase with education, class and income. Interestingly, although older consumers tend to have less confidence in the way some businesses handle personal information (see Chapter 2), almost three-quarters of the over 50-plus age group end up in the "Low" category when it comes to taking consumer action (Table 4.3b).

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Table 4.1a

**OFFLINE Privacy Protection Behaviors — I: By Key Demographic Groups**

Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?

- J. Asked a company to remove your name and address from any lists they use for marketing purposes
- K. Asked a company not to sell or give your name and address to another company
- L. Asked a company to see what personal information, besides billing information, they had about you in their customer records

	<b>Base: All Respondents</b>		<b>Remove name &amp; address</b>	<b>Limit use of name &amp; address</b>	<b>Examine personal file</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>29</b>	<b>54</b>	<b>10</b>
<b>Sex</b>					
Male	(442)	%	32	58	15
Female	(560)	%	26	50	6
<b>Age</b>					
18-29 years	(191)	%	29	62	12
30-49 years	(419)	%	36	62	12
50+ years	(368)	%	22	42	7
<b>Education</b>					
GCSE/O Lev/Less	(553)	%	21	45	9
A Lev/Equiv	(158)	%	40	64	8
Deg/Mstr/PhD	(254)	%	45	69	12
<b>HH Income</b>					
£15,000 or less	(298)	%	21	42	8
£15,001 -£31,000	(284)	%	33	64	10
£31,001 -£46,000	(111)	%	41	75	17
More than £46,000	(77)	%	47	70	12
<b>Class</b>					
Upper Class (A/B)	(263)	%	42	64	10
Clerical (C1/C2)	(498)	%	29	58	11
Unskilled (D/E)	(241)	%	38	19	9

**Ref.:** B1/T70

Table 4.1b

**OFFLINE Privacy Protection Behaviors — I: By Key Privacy Groups**

Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?

- D. Asked a company to remove your name and address from any lists they use for marketing purposes
- E. Asked a company not to sell or give your name and address to another company
- F. Asked a company to see what personal information, besides billing information, they had about you in their customer records

	Base: All Respondents		% Who have asked company to:		
			Remove name & address	Limit use of name & address	Examine personal file
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>29</b>	<b>54</b>	<b>10</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(423)	%	32	56	13
No	(579)	%	27	52	8
<b>Victim of Privacy Invasion</b>					
Yes	(244)	%	46	71	14
No	(751)	%	24	48	9
<b>Privacy Concern</b>					
High	(244)	%	33	59	10
Medium	(636)	%	27	52	10
Low	(122)	%	30	52	9

Ref.: B4/T70

Table 4.2a

**OFFLINE Privacy Protection Behaviors — II: By Key Demographic Groups**

Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?

Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal?

Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information?

	Base: All Respondents		Yes, have:		
			Decided not to use/ purchase something	Inquired about policies	Refused to give information
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>32</b>	<b>11</b>	<b>58</b>
<b>Sex</b>					
Male	(442)	%	33	14	62
Female	(560)	%	30	9	53
<b>Age</b>					
18-29 years	(191)	%	30	13	50
30-49 years	(419)	%	35	10	63
50+ years	(368)	%	29	11	56
<b>Education</b>					
GCSE/O Lev/Less	(553)	%	29	7	51
A Lev/Equiv	(158)	%	29	13	63
Deg/Mstr/PhD	(254)	%	41	20	69
<b>HH Income</b>					
£15,000 or less	(298)	%	29	8	48
£15,001 -£31,000	(284)	%	36	13	58
£31,001 -£46,000	(111)	%	32	14	70
More than £46,000	(77)	%	36	20	70
<b>Class</b>					
Upper Class (A/B)	(263)	%	37	18	66
Clerical (C1/C2)	(498)	%	31	12	63
Unskilled (D/E)	(241)	%	28	6	42

Ref.: B1/T70

Table 4.2b

**OFFLINE Privacy Protection Behaviors — II: By Key Privacy Groups**

- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal?
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information?

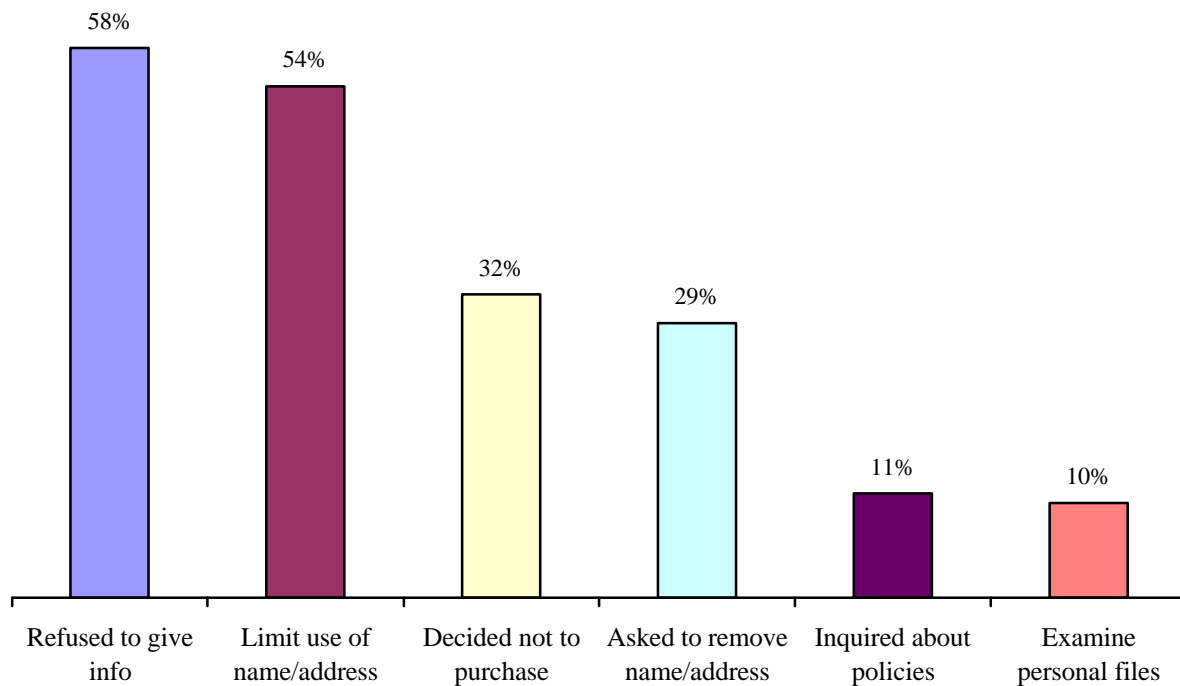
	Base: All Respondents	%	Yes, have:		
			Refused to give information	Decided not to use/ purchase something	Inquired about policies
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>58</b>	<b>32</b>	<b>11</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(423)	%	62	41	13
No	(579)	%	54	25	10
<b>Victim of Privacy Invasion</b>					
Yes	(244)	%	73	49	19
No	(751)	%	52	26	9
<b>Privacy Concern</b>					
High	(244)	%	67	38	11
Medium	(636)	%	54	29	10
Low	(122)	%	53	33	18

Ref.: B4/T70

Exhibit 4.1

OFFLINE Privacy Protection Behaviors

- Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?
- M. Asked a company to remove your name and address from any lists they use for marketing purposes
  - N. Asked a company not to sell or give your name and address to another company
  - O. Asked a company to see what personal information, besides billing information, they had about you in their customer records
- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information



Base: All respondents (n=1,002)

Table 4.3

## Summary of OFFLINE Privacy Protection Behaviors: By Key Demographic Groups

**Behaviors include:**

- a) Asked a company to remove your name and address from any lists they use for marketing purposes
- b) Asked a company not to sell or give your name and address to another company
- c) Asked a company to see what personal information, besides billing information, they had about you in their customer records
- d) Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not?
- e) Refused to give information to a business or company because you thought it was not really needed or was too personal
- f) Decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents	%	OFFLINE Privacy Protection Behaviors:		
			High (5-6)	Medium (3-4)	Low (2 or less)
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>6</b>	<b>29</b>	<b>64</b>
<b>Sex</b>					
Male	(442)	%	9	31	60
Female	(560)	%	4	28	68
<b>Age</b>					
18-29 years	(191)	%	5	33	62
30-49 years	(419)	%	8	34	58
50+ years	(368)	%	6	22	72
<b>Education</b>					
GCSE/O Lev/Less	(553)	%	4	25	71
A Lev/Equiv	(158)	%	7	33	60
Deg/Mstr/PhD	(254)	%	13	38	48
<b>HH Income</b>					
£15,000 or less	(298)	%	2	25	72
£15,001 -£31,000	(284)	%	8	34	58
£31,001 -£46,000	(111)	%	13	34	53
More than £46,000	(77)	%	13	34	53
<b>Class</b>					
Upper Class (A/B)	(263)	%	12	35	54
Clerical (C1/C2)	(498)	%	6	31	63
Unskilled (D/E)	(241)	%	3	23	75

Ref.: B1/T70



## Chapter 5 — Privacy Protection Behaviors — Online

As noted earlier in this report (Chapter 1), just over half (54%) of the British public use a computer at home, work, school or elsewhere, and just over one-in-four 28% report that they access the Internet for e-mail or other purposes. In the previous chapter we explored in detail the actions some consumers have been willing to take in the offline world of consumer transactions when it comes to protecting the privacy of their personal information. This chapter looks at the privacy protection behavior of consumers on the Internet for each of the industry segments that are the focus of this report.

### Industry Comparison

In all four types of web sites examined in the survey – health, financial, insurance and retail – some consumers do carry out measures to protect their privacy, but generally it is a minority of visitors who do so. For example, 44% of the visitors to insurance sites say they have checked to see if the site had a privacy notice or policy on how it would use the consumer information it collected.<sup>1</sup> The corresponding numbers of consumers for the other sites that checked for notices are 34% for financial services, 32% for retail, and 26% for health.

In terms of refusal to provide information to a site because it was thought to be not needed or too personal, almost half (48%) of visitors to both financial sites and retail sites say they have taken this action, and a similar number (45%) of visitors to health and insurance sites say the same.

Nearly half of consumers who have visited health sites (47%) say they have decided not to use or purchase something from a web site because they weren't sure how their personal information would be used. Some 42% of visitors to financial sites, and 41% of visitors to retail sites as well as half those visiting insurance sites (50%) say they have declined to purchase something for the same reason (Exhibit 5.1 and Table 5.1).

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<sup>1</sup> Figures for insurance company web sites and health web sites are calculated on relatively small base sizes.

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Using an analogous procedure to that of categorizing offline privacy behaviors, consumers can be classified as “High,” “Medium” or “Low” depending on how many of the three active protection measures they have undertaken. If they have checked to see whether the site had a privacy information notice or policy on how it would use information, refused to give information that they regarded as too personal, and decided not to use or purchase something because they were concerned about how their personal information would be used, they were classified as having a “High” level of online protection behavior. If they have carried out at least two of these measures, they were classified as “Medium,” and are considered “Low” if they have done one or none.

About one-quarter (23%) of online consumers fall into the “High” category, matched by the same percentage (23%) who belong to the “Medium” category. The majority of British consumers (55%) fall into the “Low” category. These categories will be used later in this report to dissect the answers to certain attitudinal questions (Table 5.2).

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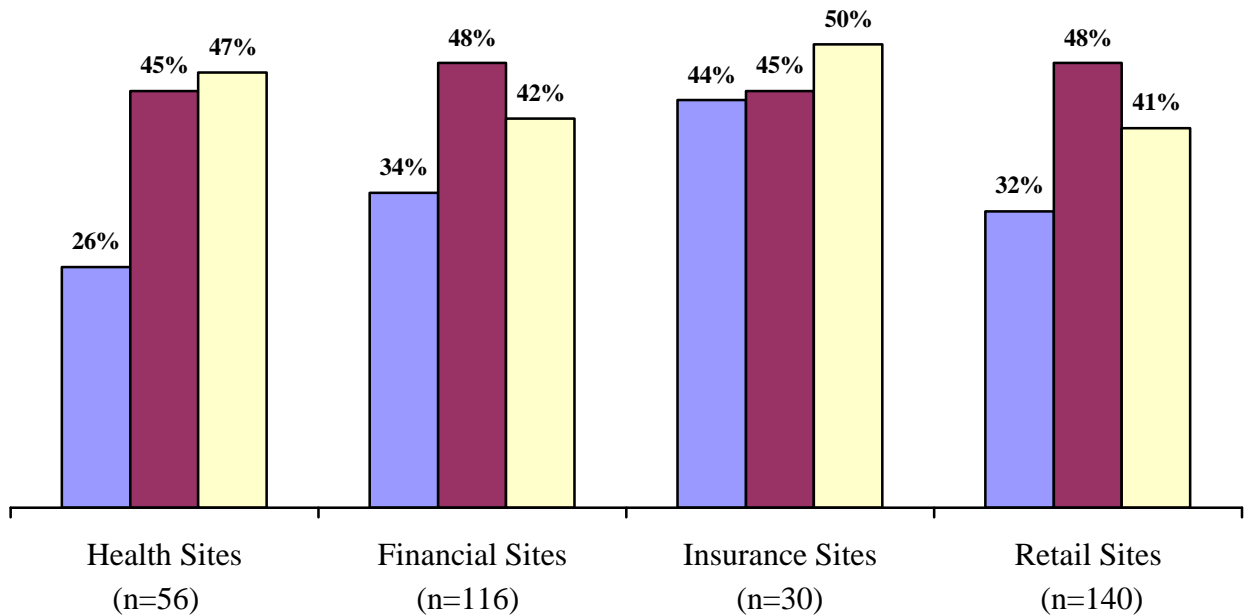
Exhibit 5.1

ONLINE Privacy Protection Behaviors

Q.550 When you've visited websites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM)?

- A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
- C. REFUSED TO GIVE INFORMATION to this type of website because you thought it was not really needed or was too personal?
- D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of website because you weren't sure how they would use your personal information?

■ Checked for privacy notice     
 ■ Refused to give info     
 ■ Decided not to purchase



Base: Varies

Table 5.1

## ONLINE Privacy Protection Behaviors at HEALTH Web sites

- Q.550 When you've visited web sites on *health problems, healthcare, medicine or pharmaceutical problems*, have you EVER (READ EACH ITEM)?
- E. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
  - F. SEEN A PRIVACY NOTICE or other explanation of how personal information collected by that site would be used?
  - G. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?
  - H. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

	<b>Health Sites</b>	<b>Financial Sites</b>	<b>Insurance Sites</b>	<b>Retail Sites</b>
<b>Base:</b> Have Visited Sites	(56) <sup>1</sup>	(116)	(30) <sup>1</sup>	(140)
	%	%	%	%
Checked for Privacy Notice	26	34	44	32
Seen a Privacy Notice	34	44	57	37
Refused to give information	45	48	45	48
Decided not to use/purchase	47	42	50	41

Ref: B1/T83,88,93,98

<sup>1</sup> Note small base size.

Table 5.2

Summary of ONLINE Privacy Protection Behaviors

- Q.550. When you've visited Web sites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM), [or not]?
- Q.560. When you've visited Web sites on *financial services, such as banks, credit cards, and investments*, have you EVER (READ EACH ITEM), [or not]?:
- Q.570. When you've visited Web sites *offering any kind of insurance -- such as life, health, accident, auto, or residential* have you EVER (READ EACH ITEM), [or not]?
- Q.580. When you've visited Web sites from *retail stores or catalogs offering consumer products of any kind*, have you EVER (READ EACH ITEM), [or not]?:
  - A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
  - C. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?
  - D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

	Base: Have Visited Web sites	%	Privacy Protection Behaviors:		
			High (3)	Medium (2)	Low (1, 0)
<b>Total</b>	<b>(197)</b>		<b>23</b>	<b>23</b>	<b>55</b>

Ref.: B1/T99

## Chapter 6: Privacy Policies

This chapter explores how consumers view the progress British businesses are making in the four specific industries and ten sectors to adopt privacy protection policies. The discussion focuses first on the privacy protection policies in the offline world, and then examines policies for the online world.

### Privacy Policies – Offline

A clear majority of British consumers across all four industries being considered in this study and within 9 of the 10 sectors of those industries examined in detail say that it is very important to them that companies adopt strong privacy protection policies.

Consumers of banks register the highest level of agreement with a clear majority of them (82%) indicating the importance of such policies. Seventy-seven percent of consumers of healthcare providers and 71% of pharmaceutical companies also agree.

Substantial numbers of consumers also believe privacy policies are very important when dealing with credit card companies (69%), life insurance companies (69%), health insurance companies (66%), as well as property insurance companies (64%).

Slim majorities agree that privacy policies are very important when dealing with department stores (53%) and companies that sell their products and services by catalog (51%).

Companies that sell their products and services over the Internet are the only sector among the ten for which less than a majority (45%) of consumers feel privacy policies are very important. The slightly lower figures for catalog and Internet sales may reflect the lower use of such companies by some segments of the population (Exhibit 6.1 and Table 6.1).

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### *Healthcare Industry*

Looking at the healthcare industry specifically, with the two sectors of healthcare providers and pharmaceutical companies, it is notable that the proportions of consumers who say privacy protection policies are very important are quite high (77% and 71%, respectively). Among the demographic groups, females are more likely than males to place a high degree of importance on privacy policies in both sectors.

Despite – or perhaps because – older respondents are more likely to be consumers of both healthcare providers and pharmaceutical companies, those 50 years and older tend to place less importance on privacy policies. When considered across the key privacy groups, consumers who are very concerned about misuse of data in general are more likely to say privacy policies are very important than those who are not (84% vs. 72% for healthcare providers and 77% vs. 67% for pharmaceutical companies). Also, those who have been victims of a privacy invasion also are more likely to place importance on such policies as compared to those who have not (Table 6.2a and 6.2b).

### *Financial Services Industry*

Consumers of both banks and credit card companies place a great deal of importance on strong privacy protection policies. However, the banking category clearly stands out as an emblem of consumers' concern about their most personal and sensitive data. Across almost all the demographic groups, a substantial number of consumers (82% overall) say that privacy policies are very important. The fact that such policies rate lower in importance for credit card companies (69%) may reflect lower usage among British consumers for credit cards as compared to banks.

In both segments of the industry, consumers in the lowest education group, unskilled workers and lowest household income group are less likely to say privacy protection policies are very important, although a majority do believe that they are, especially for banks. For credit card companies, substantially fewer consumers with household incomes of £15,000 or less say privacy policies are very important (56%) as compared to 84% of those consumers in households with incomes of more than £46,000. Consumers aged 50 and older also are less likely to believe

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these policies are very important for credit card companies. Among key privacy groups, consumers who are concerned about misuse of data in general and those who have been victims of a privacy invasion are more likely to think privacy policies are very important than those who are not as concerned or haven't been victims (Tables 6.3a and 6.3b).

### ***Insurance Industry***

Privacy protection policies are very important to consumers in all three segments of the insurance industry – 69% for life insurance, 66% for health insurance companies, and 64% for property insurance companies. Among the three industry segments, the strongest demographic differences are in the health insurance sector. For these companies, the proportion of those consumers who think such policies are important rises steeply with income.

Consumers in the lowest education category and unskilled workers tend to place less importance on privacy policies than do other groups. In all three industry segments, consumers in the 30-49 year-old age group place the most emphasis on privacy policies. Across the key privacy groups, consumers who are very concerned about the misuse of data in general are more likely than those who are not to view privacy policies as very important for all three types of insurance companies. The same is true of those consumers who have been victims of a privacy invasion. In addition, for health insurance companies, the importance of privacy policies tends to rise with the degree of offline privacy protection behavior (Table 6.4a and 6.4b).

### ***Retail Industry***

When it comes to the retail industry, a total of 53% say that when dealing with department stores privacy policies are very important, and a similar figure, 51%, say such policies also are very important for companies that sell through catalogs. Less than a majority (45%) agree this is the case for companies that sell their products and services over the Internet.

As with the other sectors discussed, use or experience with an industry may influence overall importance levels. For example, Internet companies garner a low degree of confidence in their handling of personal information among consumers (see Table 2.1 in which only 13% say they are very or somewhat confident that their personal information is handled confidentially). It might, therefore, be expected that consumers would want to have privacy protection policies to

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address their concerns with the Internet industry. The fact that almost three times this number say privacy policies are very important suggests this sentiment is fairly common and that substantial numbers of consumers – both current users and prospective users of the Internet -- may desire explicit protection policies in the future (Table 6.5a).

In terms of demographic trends, the proportion of consumers who say privacy policies are very important, tends to be highest in all three industry segments for those in the 30-49 year-old age group. For Internet companies, importance tends to rise with education and class, and even more dramatically with income. For example, only about one-third (32%) of consumers in households with incomes of £15,000 or less say privacy policies for Internet companies are very important, rising to about two-thirds (64%) of consumers in households with incomes of more than £46,000.

Among the key privacy groups, consumers who are concerned about the misuse of data and those who have been victims of a privacy invasion are more likely to attach higher-than-average importance to privacy protections in all three segments of the retail industry. For Internet companies, the proportion of consumers who think privacy policies are very important increases with the degree of offline privacy protection behavior (Tables 6.5a and 6.5b).

### **Privacy Policies – Online**

Among British consumers who access the Internet, 42% report that they have seen a privacy notice or other explanation of how personal information collected will be used when visiting a web site. Of those who have seen a privacy notice, 23% say they always read it, 67% say they sometimes read it, and 10% say they never read it. Males are much more likely than females to have seen a privacy notice (52% vs. 28%), although similar proportions of those who have seen notices say they always, sometimes, or never read them (Table 6.6 and Exhibit ES 6.2).

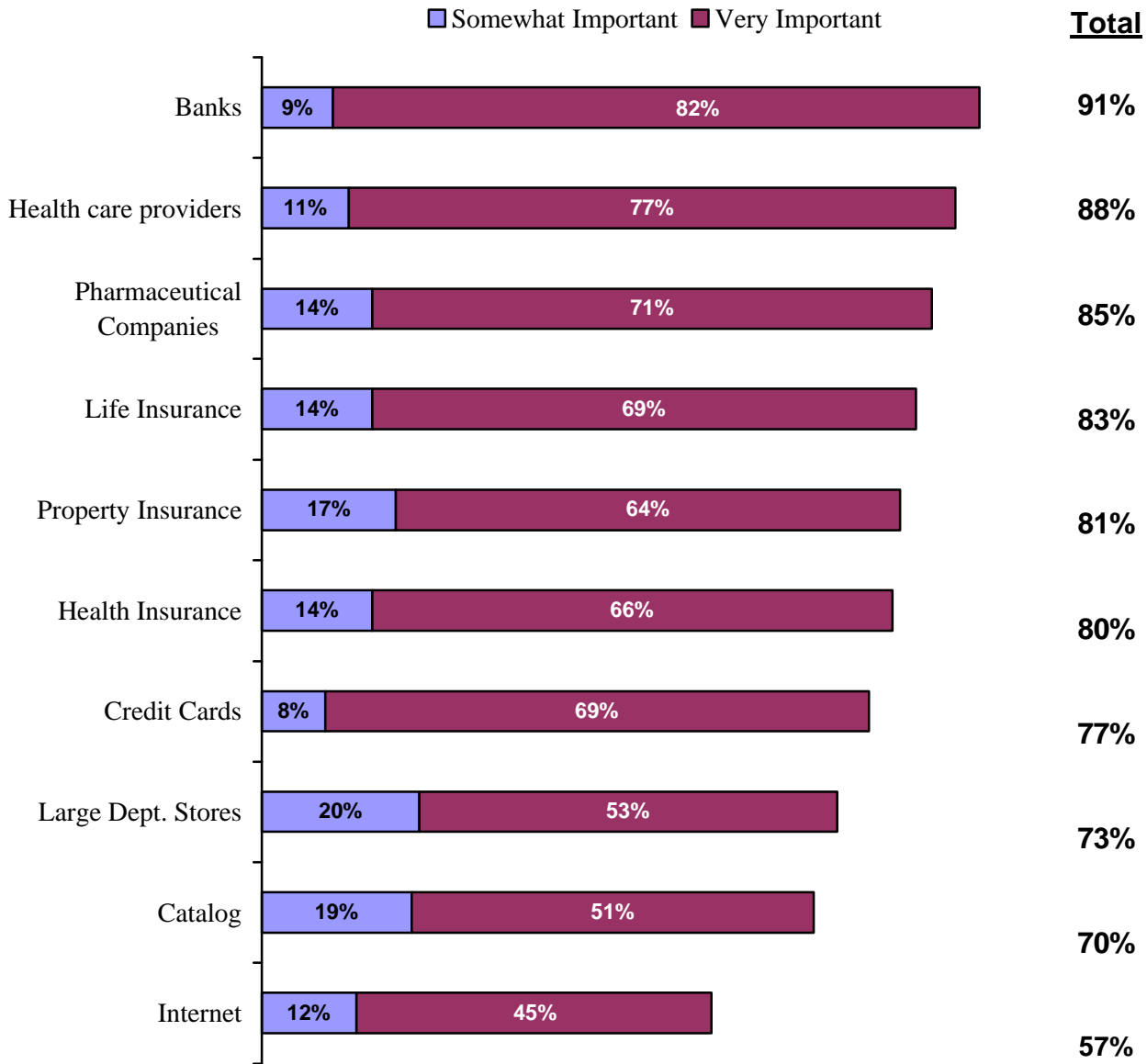
When asked to what extent it is important that a web site display a privacy notice and explain how personal information is used before the consumer provides personal information or makes a purchase, a substantial majority of consumers (71%) say such advance notification is absolutely essential or very important, with 38% in the absolutely essential camp (Table 6.7).

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Exhibit 6.1

Importance of Privacy Protection Policies in Various Industries

Q.160 How important is it to you when you deal with [insert item] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?



Base: All respondents (n=1,002)

Table 6.1

Importance of Privacy Protection Policies in Various Industries

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Healthcare providers</b> such as hospitals and other healthcare facilities	(1002)	%	77	88	7	4
Companies that sell <b>prescription and over-the-counter medicinal products</b>	(1002)	%	71	85	9	5
<b>Banks</b> that provide current accounts and savings accounts	(1002)	%	82	91	7	4
<b>Credit card</b> companies	(1002)	%	69	77	9	5
<b>Health insurance</b> companies	(1002)	%	66	80	8	4
<b>Life insurance</b> companies	(1002)	%	69	83	9	4
<b>Property insurance</b> companies, such as companies that sell accident, auto, and home insurance	(1002)	%	64	81	12	4
Companies that sell their products and services by <b>catalog</b> only	(1002)	%	51	70	17	4
<b>Large department stores</b> such as John Lewis or House of Frazer	(1002)	%	53	73	14	4
Companies that sell their products and services over the <b>Internet</b>	(1002)	%	45	57	13	6

Ref.: B1/T30-33

Table 6.2a

**Importance of Privacy Protection Policies in Healthcare Industry: By Key Demographic Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- C. Healthcare providers such as hospitals and other healthcare facilities
- D. Companies that sell prescription and over-the-counter medicine products

	Base: All Respondents	%	Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>77</b>	<b>88</b>	<b>71</b>	<b>85</b>
<b>Sex</b>						
Male	(442)	%	75	87	69	83
Female	(560)	%	80	90	74	88
<b>Age</b>						
18-29 years	(191)	%	80	92	76	92
30-49 years	(419)	%	81	93	76	89
50+ years	(368)	%	73	83	65	80
<b>Education</b>						
GCSE/O Lev/Less	(553)	%	77	88	72	86
A Lev/Equiv	(158)	%	78	89	75	88
Deg/Mstr/PhD	(254)	%	79	89	71	83
<b>HH Income</b>						
£15,000 or less	(298)	%	76	87	69	85
£15,001 -£31,000	(284)	%	81	91	74	88
£31,001 -£46,000	(111)	%	77	87	72	83
More than £46,000	(77)	%	85	96	80	92
<b>Class</b>						
Upper Class (A/B)	(263)	%	77	90	72	85
Clerical (C1/C2)	(498)	%	79	91	74	87
Unskilled (D/E)	(241)	%	74	83	67	83

Ref.: B1/T20,21

Table 6.2b

**Importance of Privacy Protection Policies in Healthcare Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- A. Healthcare providers such as hospitals and other healthcare facilities
  - B. Companies that sell prescription and over-the-counter medicine products

	Base: All Respondents		Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>77</b>	<b>88</b>	<b>71</b>	<b>85</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(423)	%	84	92	77	91
No	(579)	%	72	86	67	82
<b>Victim of Privacy Invasion</b>						
Yes	(244)	%	82	89	76	85
No	(751)	%	76	88	70	86
<b>Privacy Concern</b>						
High	(244)	%	68	78	66	80
Medium	(636)	%	80	91	73	87
Low	(122)	%	81	96	72	90
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(68)	%	73	92	73	91
Medium	(301)	%	83	92	74	87
Low	(633)	%	75	86	70	84

Ref.: B4/T20,21

Table 6.3a

**Importance of Privacy Protection Policies in Financial Services Industry:  
By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

E. Banks that provide checking accounts and savings accounts

F. Credit card companies

	Base: All Respondents	%	Banks		Credit Card Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>82</b>	<b>91</b>	<b>69</b>	<b>77</b>
<b>Sex</b>						
Male	(442)	%	80	91	69	79
Female	(560)	%	84	91	69	76
<b>Age</b>						
18-29 years	(191)	%	85	96	76	87
30-49 years	(419)	%	87	93	77	86
50+ years	(368)	%	78	87	58	65
<b>Education</b>						
GCSE/O	(553)	%	80	90	64	73
Lev/Less						
A Lev/Equiv	(158)	%	85	93	75	84
Deg/Mstr/PhD	(254)	%	86	92	79	86
<b>HH Income</b>						
£15,000 or less	(298)	%	78	89	56	66
£15,001 -£31,000	(284)	%	86	94	76	86
£31,001 -£46,000	(111)	%	85	90	81	88
More than £46,000	(77)	%	87	96	84	93
<b>Class</b>						
Upper Class (A/B)	(263)	%	84	91	76	83
Clerical (C1/C2)	(498)	%	86	94	74	84
Unskilled (D/E)	(241)	%	76	85	54	61

Ref.: B1/T22,23

Table 6.3b

**Importance of Privacy Protection Policies in Financial Services Industry:  
By Key Privacy Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

C. Banks that provide checking accounts and savings accounts  
D. Credit card companies

	Base: All Respondents		Banks		Credit Card Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>82</b>	<b>91</b>	<b>69</b>	<b>77</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(423)	%	88	93	73	80
No	(579)	%	78	89	66	76
<b>Victim of Privacy Invasion</b>						
Yes	(244)	%	88	94	77	84
No	(751)	%	80	90	66	76
<b>Privacy Concern</b>						
High	(244)	%	74	84	64	72
Medium	(636)	%	85	93	69	78
Low	(122)	%	85	95	76	89
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(68)	%	78	89	71	81
Medium	(301)	%	88	94	77	85
Low	(633)	%	80	90	65	74

Ref.: B4/T22,23

Table 6.4a

**Importance of Privacy Protection Policies in Insurance Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- E. Health insurance companies
- F. Life insurance companies
- G. Property insurance companies, such as companies that sell accident, auto, and home insurance

**Insurance Companies**

	Base: All Respondents	%	Health		Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>		<b>66</b>	<b>80</b>	<b>69</b>	<b>83</b>	<b>64</b>	<b>81</b>
<b>Sex</b>								
Male	(442)	%	66	79	69	83	62	79
Female	(560)	%	66	80	68	82	65	82
<b>Age</b>								
18-29 years	(191)	%	68	88	67	85	62	86
30-49 years	(419)	%	72	86	74	87	69	86
50+ years	(368)	%	59	71	65	77	60	74
<b>Education</b>								
GCSE/O Lev/Less	(553)	%	62	77	67	81	63	81
A Lev/Equiv	(158)	%	73	87	72	88	66	82
Deg/Mstr/PhD	(254)	%	71	83	70	83	63	82
<b>HH Income</b>								
£15,000 or less	(298)	%	58	73	63	79	58	76
£15,001 -£31,000	(284)	%	69	84	73	87	66	84
£31,001 -£46,000	(111)	%	73	87	68	84	57	81
More than £46,000	(77)	%	80	96	78	93	69	87
<b>Class</b>								
Upper Class (A/B)	(263)	%	68	81	71	84	66	85
Clerical (C1/C2)	(498)	%	70	85	72	86	66	84
Unskilled (D/E)	(241)	%	57	70	61	76	58	72

Ref.: B1/T24-26



Table 6.4b

**Importance of Privacy Protection Policies in Insurance Industry: By Key Privacy Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- E. Health insurance companies
- F. Life insurance companies
- G. Property insurance companies, such as companies that sell accident, auto, and home insurance

	Base: All Respondents		Insurance Companies					
			Health		Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>66</b>	<b>80</b>	<b>69</b>	<b>83</b>	<b>64</b>	<b>81</b>
<b>Very Concerned About Misuse of Data</b>								
Yes	(423)	%	69	83	73	85	70	83
No	(579)	%	64	77	65	81	59	79
<b>Victim of Privacy Invasion</b>								
Yes	(244)	%	76	85	75	85	72	83
No	(751)	%	63	78	67	82	61	80
<b>Privacy Concern</b>								
High	(244)	%	58	70	63	74	59	72
Medium	(636)	%	68	82	70	85	65	84
Low	(122)	%	72	88	72	89	67	84
<b>OFFLINE Privacy Protection Behaviors</b>								
High	(68)	%	77	93	74	89	66	85
Medium	(301)	%	72	86	75	87	67	85
Low	(633)	%	62	76	65	80	62	79

Ref.: B4/T24-26

Table 6.5a

**Importance of Privacy Protection Policies in the Retail Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- H. Companies that sell their products and services by catalog only
- K. Large department stores such as John Lewis or House of Frazer
- L. Companies that sell their products and services over the Internet

	Base: All Respondents		Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>51</b>	<b>70</b>	<b>53</b>	<b>73</b>	<b>45</b>	<b>57</b>
<b>Sex</b>								
Male	(442)	%	50	67	54	73	47	60
Female	(560)	%	53	74	53	73	43	55
<b>Age</b>								
18-29 years	(191)	%	46	72	47	77	46	67
30-49 years	(419)	%	59	78	60	78	56	69
50+ years	(368)	%	48	64	51	67	35	42
<b>Education</b>								
GCSE/O Lev/Less	(553)	%	51	69	52	69	40	50
A Lev/Equiv	(158)	%	57	77	55	78	52	65
Deg/Mstr/PhD	(254)	%	52	71	56	79	55	70
<b>HH Income</b>								
£15,000 or less	(298)	%	48	69	49	67	32	41
£15,001 -£31,000	(284)	%	56	77	59	78	51	67
£31,001 -£46,000	(111)	%	54	73	51	74	57	71
More than £46,000	(77)	%	48	72	57	82	64	78
<b>Class</b>								
Upper Class (A/B)	(263)	%	56	78	59	79	54	68
Clerical (C1/C2)	(498)	%	52	71	54	76	49	62
Unskilled (D/E)	(241)	%	47	61	48	63	32	40

Ref.: B1/T27-29

Table 6.5b

**Importance of Privacy Protection Policies in the Retail Industry: By Key Privacy Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- H. Companies that sell their products and services by catalog only
- K. Large department stores such as John Lewis or House of Frazer
- L. Companies that sell their products and services over the Internet

	Base: All Respondents		Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>51</b>	<b>70</b>	<b>53</b>	<b>73</b>	<b>45</b>	<b>57</b>
<b>Very Concerned About Misuse of Data</b>								
Yes	(423)	%	57	73	62	77	49	58
No	(579)	%	47	68	47	70	42	57
<b>Victim of Privacy Invasion</b>								
Yes	(244)	%	59	74	67	83	58	68
No	(751)	%	49	70	49	70	41	53
<b>Privacy Concern</b>								
High	(244)	%	50	62	50	68	42	52
Medium	(636)	%	52	72	54	74	44	56
Low	(122)	%	53	78	59	82	59	72
<b>OFFLINE Privacy Protection Behaviors</b>								
High	(68)	%	56	71	60	80	62	76
Medium	(301)	%	58	76	60	80	57	69
Low	(633)	%	48	68	50	69	38	50

Ref.: B4/T27-29

Table 6.6

**Incidence of Having Seen and Having Read Web site Privacy Notices:  
By Key Demographic Groups**

- Q.505 When you visit business web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?
- Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?

	<b>Base: Access the Internet</b>		<b>Yes, have noticed</b>	<b>Base: Have seen notices</b>		<b>Always read</b>	<b>Some- times read</b>	<b>Never read</b>
<b>Total</b>	<b>(299)</b>	<b>%</b>	<b>42</b>	<b>(124)</b>	<b>%</b>	<b>23</b>	<b>67</b>	<b>10</b>
<b>Sex</b>								
Male	(166)	%	52	(85)	%	23	67	10
Female	(133)	%	28	(39)	%	22	66	12
<b>Age</b>								
18-29 years	(90)	%	38	(34)	%	25	64	11
30-49 years	(142)	%	51	(69)	%	18	72	10
50+ years	(61)	%	31	(19)	%	39	50	11
<b>Education</b>								
GCSE/O Lev/Less	(85)	%	41	(36)	%	13	78	9
A Lev/Equiv	(62)	%	40	(22)	%	35	62	3
Deg/Mstr/PhD	(143)	%	46	(66)	%	24	62	14
<b>HH Income</b>								
£15,000 or less	(46)	%	41	(18)	%	17	73	10
£15,001 -£31,000	(87)	%	38	(33)	%	22	65	13
£31,001 -£46,000	(62)	%	48	(29)	%	26	68	6
More than £46,000	(54)	%	51	(27)	%	25	63	12
<b>Class</b>								
Upper Class (A/B)	(130)	%	45	(55)	%	30	60	10
Clerical (C1/C2)	(148)	%	42	(62)	%	18	70	12
Unskilled (D/E)	(21) <sup>1</sup>	%	33	7 <sup>1</sup>	%	21	79	-

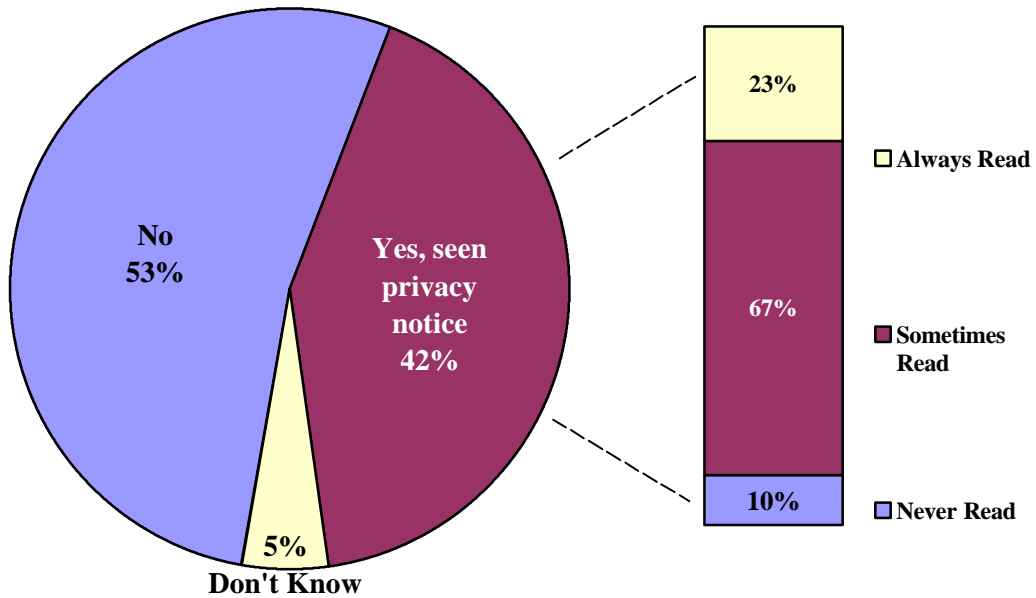
**Ref.:B1/T71-72**

<sup>1</sup> Small base

Exhibit 6.2

Incidence of Having Seen and Having Read Website Privacy Notices:

- Q.505 When you visit business Web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?
- Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?



**Base:** Access the Internet  
(n=299)

**Base:** Seen Privacy Notice  
(n=124)

Table 6.7

**Importance of Displaying Privacy Notices on Web sites**

Q.510 When you visit business web sites, how important is it that the site you are visiting displays a Privacy Notice and explains how your personal information will be used BEFORE you provide your personal information or make a purchase — [is it absolutely essential, very important, somewhat important, not very important or not at all important]?

	<b>Base: Access the Internet</b>
<b>Total</b>	<b>(299)</b>
	%
<u>Absolutely/ Very</u>	<u>71</u>
Absolutely	38
Very	33
<u>Somewhat</u>	<u>14</u>
<u>Not Very/Not at All</u>	<u>6</u>
Not Very	5
Not at All	2

**Ref.:** B1/T73

## Chapter 7: Cross-Country Comparisons of Perceptions of Privacy Protection

This chapter examines the perceptions of the British public when it comes to privacy protections at home and abroad.

### Government and Privacy Protection in the U.K.

When asked how comfortable they are with the way the government is handling the protection of consumer privacy in the U.K., British citizens are split, with half (50%) saying they are very or somewhat comfortable and only a miniscule portion of these (4%) placing themselves in the very category (Table 7.1a).

Among key privacy groups, both consumers who are very concerned about the misuse of data in general and those who have been victims of a privacy invasion are less likely to be very or somewhat comfortable with the way the government is handling the protection of consumer privacy compared to those consumers who have not. For those consumers who are classified as having a high degree of privacy concern, only 28% are very or somewhat comfortable versus more than half (55%) of the medium concerned and more than two-thirds (69%) of those with a low degree of concern. This pattern of responses is similar for consumers with high (28%), medium (45%) and low (54%) degrees of offline privacy protection behaviors, with comfort levels rising as protection behaviors decrease (Table 7.1b).

More than half (55%) of the British public believes that the United States has the greatest number of choices when it comes to new products and services. Other countries on the list lag far behind, with Japan chosen by 14% of consumers, the U.K. itself with 7%, Germany with 5%, and Canada last with 3% of consumer votes (Exhibit 7.1).

When it comes to the most effective protection of consumer privacy today, British opinion is quite fragmented. Almost one-quarter (23%) say the most effective protections are in the United States, while about one-in-five (20%) believe Germany is the host of the most protective policy

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measures. Japan and Great Britain are tied at 14%, followed by Canada at 10%. When British consumers are asked to choose which of the five countries has the most effective protection of consumer privacy on the Internet today, about one-in-five (22%) respond with the United States, while Japan and Germany are tied for second at 13% apiece. One-in-ten (11%) believe it is Great Britain that has the most effective Internet protections, and only 6% think this is the case in Canada (Exhibits 7.2 and 7.3).

In terms of certain subgroups of consumers, those who use a computer and those who access the Internet are more likely than is the average consumer to rank the United States first when it comes to effective protections on the Internet (Table 7.2).



Table 7.1a

**Comfort Level with the Way Government is Handling Protection of Consumer Privacy:  
By Key Demographic Groups**

Q.705 In general, how comfortable are you with the way the government is handling the protection of consumer privacy in *the U.K.* [- are you very comfortable, somewhat comfortable, not very comfortable, not at all comfortable]?

	<b>Base:</b>					
	<b>All</b>			<b>Very/</b>	<b>Not very/</b>	
	<b>Respondents</b>		<b>Very</b>	<b>Somewhat</b>	<b>not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>4</b>	<b>50</b>	<b>41</b>	<b>11</b>
<b>Sex</b>						
Male	(442)	%	4	48	45	13
Female	(560)	%	4	51	37	9
<b>Age</b>						
18-29 years	(191)	%	2	52	40	10
30-49 years	(419)	%	2	51	39	8
50+ years	(368)	%	6	48	42	14
<b>Education</b>						
GCSE/O	(553)	%	4	51	39	10
Lev/Less						
A Lev/Equiv	(158)	%	4	49	44	13
Deg/Mstr/PhD	(254)	%	3	46	44	11
<b>HH Income</b>						
£15,000 or less	(298)	%	4	55	37	9
£15,001 -£31,000	(284)	%	3	51	41	10
£31,001 -£46,000	(111)	%	3	55	40	5
More than £46,000	(77)	%	3	46	48	6
<b>Class</b>						
Upper Class (A/B)	(263)	%	6	49	43	11
Clerical (C1/C2)	(498)	%	2	49	42	11
Unskilled (D/E)	(241)	%	5	51	38	12

Ref.: B1/T100

Table 7.1b

**Comfort Level with the Way Government is Handling Protection of Consumer Privacy:  
By Key Privacy Groups**

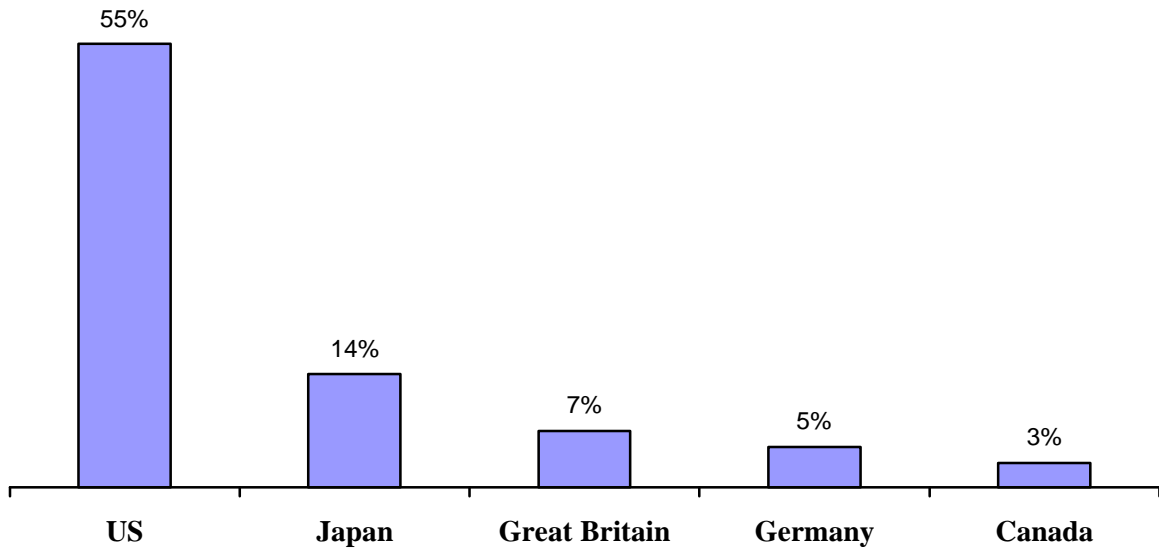
Q.705 In general, how comfortable are you with the way the government is handling the protection of consumer privacy in *the U.K.* [– are you very comfortable, somewhat comfortable, not very comfortable, not at all comfortable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>4</b>	<b>50</b>	<b>41</b>	<b>11</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(423)	%	3	40	51	15
No	(579)	%	4	56	34	8
<b>Victim of Privacy Invasion</b>						
Yes	(244)	%	3	40	52	15
No	(751)	%	4	53	37	10
<b>Privacy Concern</b>						
High	(244)	%	1	28	66	20
Medium	(636)	%	4	55	34	8
Low	(122)	%	6	69	23	6
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(68)	%	9	28	66	16
Medium	(301)	%	2	45	48	13
Low	(633)	%	4	54	35	10

Ref.: B4/T100

Exhibit 7.1

Country Perceived to Offer the Greatest Number of Choices of Products and Services



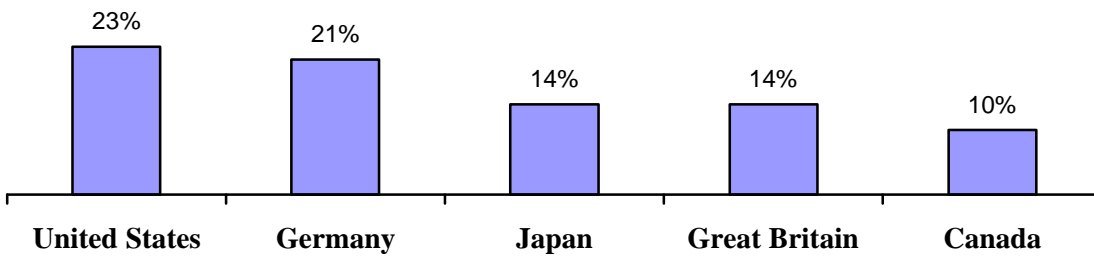
Base: All Respondents (n=1,002)

Q.710 In which ONE of the following FIVE countries do you think consumers have the greatest number of choices when it comes to new products and services?

Ref: B1/T101

Exhibit 7.2

Country Perceived to Have the Most Effective Protection of Consumer Privacy Today



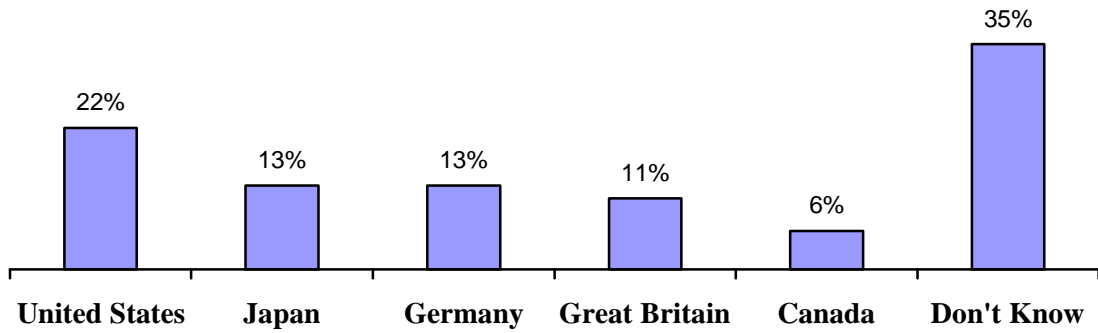
Base: All Respondents (n=1,002)

Q.715 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy today?

Ref.: B1/T102

Exhibit 7.3

Country Perceived to Have the Most Effective Protection of Consumer Privacy on the INTERNET Today



Base: All Respondents (n=1,002)

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

Ref.: B1/T103

Table 7.2

**Country Perceived to Have the Most Effective Protection of  
Consumer Privacy on the INTERNET Today:  
By Computer and Internet User and Key Privacy Groups**

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

	<b>Base: All Respondents</b>		<b>United States</b>	<b>Germany</b>	<b>Japan</b>	<b>Great Britain</b>	<b>Canada</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>22</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>6</b>
<b>Computer User</b>							
Yes	(589)	%	27	14	16	12	8
No	(413)	%	16	10	9	11	4
<b>Access the Internet</b>							
Yes	(299)	%	33	15	15	13	8
No	(290)	%	20	13	17	11	8
<b>Very Concerned About Misuse of Data</b>							
Yes	(423)	%	24	13	13	11	6
No	(579)	%	21	13	13	12	6
<b>Victim of Privacy Invasion</b>							
Yes	(244)	%	22	18	13	10	7
No	(751)	%	22	11	13	12	6
<b>Privacy Concern</b>							
High	(244)	%	19	14	11	9	10
Medium	(636)	%	22	12	13	12	5
Low	(122)	%	29	10	15	16	4

Ref.: B3,4/T103

## Chapter 8: Privacy Laws and Regulations in the United Kingdom

This chapter explores the awareness of British citizens of the legal and regulatory framework governing privacy in the U.K.

### Awareness of Data Protection Laws

Just over one-quarter (28%) of the British public say they are aware of any government agency – national, regional, or local -- that enforces privacy and data protection laws for business and consumer activities in the U.K. today. The level of awareness is higher among males than females (35% vs. 22%), but does not vary much by age. However, awareness levels more than double from 20% among the least educated British citizens to 45% for those with a university education. Awareness also doubles from 19% among unskilled workers to 43% among the upper class. Awareness levels are much lower among consumers with household incomes of £15,000 or less compared to other household income groups (Table 8.1a).

Not surprisingly, those consumers who have been a victim of a privacy invasion are more likely than those who have not to be aware of a government regulatory body (41% vs. 24%). Also, those consumers who are classified as having a high degree of offline privacy protection behaviors are much more likely to be aware of such a government agency (63% vs. 39% classified as medium and 19% classified as low) (Table 8.1b).

### Awareness of Internet Privacy Regulations

When asked about privacy protections on the Internet – an extremely low percentage -- only 15% -- of the British public say they are aware of any government regulations to protect privacy. Awareness levels are higher among males than females (19% vs. 12%) and higher among younger consumers (22% of 18-29 year olds) than older consumers (13% of those 50 years and older). Also, awareness levels increase from 11% of consumers with a GCSE/O Level to 26% of university graduates. In general, awareness levels of Internet regulations are higher among

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younger, more educated, higher class and more affluent consumers. This is hardly surprising given that these are precisely the groups that are more likely to use a computer and access the Internet (see Table 1.5 in Chapter 1). As a corollary, it also is the case that consumers who use computers and access the Internet are much more likely to be aware of government regulations to protect privacy on the Internet than are those who do not (Tables 8.2a and 8.2b).

Consumers who are very concerned about misuse of data in general or who have been victims of a privacy invasion are slightly more likely to be aware of government regulations to protect privacy on the Internet, although these percentages still are only one-in-five (19% for both groups) (Table 8.2c).



Table 8.1a

**Awareness of Government Agencies that Enforce Privacy and Data Protection Laws:  
By Key Demographic Groups**

Q.605 Are you aware of any government body – national, regional, or local -- that enforces privacy and data protection laws for BUSINESS AND CONSUMER ACTIVITIES in *the U.K.* today?

	<b>Base: All Respondents</b>	%	<b>Yes, aware</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>28</b>
<b>Sex</b>			
Male	(442)	%	35
Female	(560)	%	22
<b>Age</b>			
18-29 years	(191)	%	23
30-49 years	(419)	%	35
50+ years	(368)	%	25
<b>Education</b>			
GCSE/O Lev/Less	(553)	%	20
A Lev/Equiv	(158)	%	32
Deg/Mstr/PhD	(254)	%	45
<b>HH Income</b>			
£15,000 or less	(298)	%	18
£15,001 -£31,000	(284)	%	33
£31,001 -£46,000	(111)	%	48
More than £46,000	(77)	%	41
<b>Class</b>			
Upper Class (A/B)	(263)	%	43
Clerical (C1/C2)	(498)	%	27
Unskilled (D/E)	(241)	%	19

**Ref.:** B1/T99A

Table 8.1b

**Awareness of Government Agencies that Enforce Privacy and Data Protection Laws:  
By Key Privacy Groups**

Q.605 Are you aware of any government body – national, regional, or local -- that enforces privacy and data protection laws for BUSINESS AND CONSUMER ACTIVITIES in *the U.K.* today?

	<b>Base: All Respondents</b>		<b>Yes, aware</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>28</b>
<b>Very Concerned About Misuse of Data</b>			
Yes	(423)	%	28
No	(579)	%	28
<b>Victim of Privacy Invasion</b>			
Yes	(244)	%	41
No	(751)	%	24
<b>Privacy Concern</b>			
High	(244)	%	27
Medium	(636)	%	27
Low	(122)	%	34
<b>OFFLINE Privacy Protection Behaviors</b>			
High	(68)	%	63
Medium	(301)	%	39
Low	(633)	%	19

**Ref:** B4/T99A

Table 8.2a

**Awareness of Government Regulations to Protect Privacy on the Internet:  
By Key Demographic Groups**

Q.610 Are you aware of any government regulations to protect privacy on the Internet in *the U.K.* today?

	<b>Base: All Respondents</b>	<b>%</b>	<b>Yes, aware</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>15</b>
<b>Sex</b>			
Male	(442)	%	19
Female	(560)	%	12
<b>Age</b>			
18-29 years	(191)	%	22
30-49 years	(419)	%	16
50+ years	(368)	%	13
<b>Education</b>			
GCSE/O	(553)	%	11
Lev/Less			
A Lev/Equiv	(158)	%	16
Deg/Mstr/PhD	(254)	%	26
<b>HH Income</b>			
£15,000 or less	(298)	%	11
£15,001 -£31,000	(284)	%	16
£31,001 -£46,000	(111)	%	24
More than £46,000	(77)	%	20
<b>Class</b>			
Upper Class (A/B)	(263)	%	23
Clerical (C1/C2)	(498)	%	14
Unskilled (D/E)	(241)	%	11

**Ref.:** B1/T99B

Table 8.2b

**Awareness of Government Regulations to Protect Privacy on the Internet:  
By Computer and Internet Users**

Q.610 Are you aware of any government regulations to protect privacy on the Internet in *the U.K.* today?

	<b>Base: All Respondents</b>		<b>Yes, aware</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>15</b>
<b>Computer User</b>			
Yes	(589)	%	21
No	(413)	%	8
<b>Access the Internet</b>			
Yes	(299)	%	28
No	(290)	%	14

**Ref.:** B3/T99b

Table 8.2c

**Awareness of Government Regulations to Protect Privacy on the Internet:  
By Key Privacy Groups**

Q.610 Are you aware of any government regulations to protect privacy on the Internet in *the U.K.* today?

	<b>Base: All Respondents</b>		<b>Yes, aware</b>
<b>Total</b>	<b>(1002)</b>	<b>%</b>	<b>15</b>
<b>Very Concerned About Misuse of Data</b>			
Yes	(423)	%	19
No	(579)	%	13
<b>Victim of Privacy Invasion</b>			
Yes	(244)	%	19
No	(751)	%	14
<b>Privacy Concern</b>			
High	(244)	%	13
Medium	(636)	%	15
Low	(122)	%	23

**Ref.: B4/T99B**

## Part III: Germany

## Chapter 1 — Online and Offline Consumer Profile

### INTRODUCTION

This section of **The IBM Multi-National Consumer Privacy Survey** explores the attitudes of the German public towards personalized marketing and consumer views about the provision and protection of personal information to German businesses in four specific industries – healthcare, financial services, insurance, and retail.

The questionnaire administered in this survey was identical to that used to survey consumers in the United States and United Kingdom, with a few exceptions where adjustments were made to fit the German context. The most notable difference in the German portion of the study is the number of sectors within the four specific industries, where the study focused on 8 sectors and not the 10 sectors explored in the U.S. and U.K. In Germany, banks are the primary source of credit cards to consumers and not credit card companies as in other countries. Also, German citizens do not commonly purchase health insurance from private companies. Therefore, these two industry sectors were eliminated from the German portion of this study.

Although an attempt was made to facilitate cross-country comparisons by subdividing respondents in all three countries across the same set of demographic groups, some differences remain. Education systems within each country are unique, and this study preserves the standard educational categories used in each country, respectively. Also -- perhaps tellingly for a survey concerned with attitudes towards the privacy of personal information -- more than one-third (36%) of German respondents refused to state their monthly household income for classification purposes. This contrasts with 15% of American respondents and 25% of those in the U.K. For this reason, some caution should be used in interpreting the set of responses broken down by income in this section of the report.

This remainder of Chapter 1 provides a profile of the 1,000 German consumers who responded to this survey about consumer privacy.

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## Consumer Interest and Views of Marketing

Approximately one-in-three Germans (32%) express interest in getting information from businesses about new consumer products and services, with only 8% saying they are “very” interested in receiving such information.

Interest varies inversely with age, with just under half (45%) of 18-29 year olds saying they are interested, declining to 35% of 30-49 year olds, and declining further to 26% of German citizens 50 years and older who say they are very or not somewhat interested in being the recipients of marketing material.

In addition to greater interest among younger Germans, the level of interest in receiving product and service information increases slightly with an increase in education level (Table 1.1).

Personalized marketing is defined as the desire on the part of companies to gather information about the individual interests and lifestyles of their customers in order to tailor their marketing to each customer’s personal preferences. Only a minority of German consumers (40%) say they see such personalized marketing as a good thing for consumers. Males are more likely to view personalized marketing positively (42% vs. 38% for females). Also, in parallel with the interest in receiving marketing material about new products and services, more than half (55%) of younger Germans, aged 18-29, approve of personalized marketing compared to 42% in the 30-49 age group and only one-third (33%) of those 50 years and older (Exhibit 1.1 and Table 1.2a).

Consumers also were asked which of three benefits of personalized marketing is most appealing to them in exchange for providing their personal information: (1) advance information on new products and services, (2) product discounts, or (3) better customer service. Across most of the demographic groups, the hierarchy of responses was the same. About 45% favor better customer service, followed by product discounts (23%), closely followed by advance information on new products and services (21%). Consumers 50 years and older and households with income of more than 54,000 DM rate better customer service the highest, but show a slight preference for advance information on new products and services over product discounts (Table 1.2b).

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### Consumer Purchase Behavior

Despite the fact that a minority of German consumers say they are interested in receiving marketing material and only 40% think that personalized marketing is a good thing, a substantial number of consumers have made purchases perhaps as a result of this type of marketing. This survey questioned consumers about two modes of purchase, mail and telephone. Just over half (52%) of German consumers say they have purchased something from a catalog or brochure sent to their residences. Consumers 30-49 years old are more likely than younger or older consumers to purchase products or services by mail, perhaps reflecting the convenience of catalog purchases, since many in this age group are in their peak wage earning and child rearing years. In contrast, a mere 4% of the German public say they bought a product or service offered to them by a telephone call to their residences (Table 1.3).

### Computer Knowledge and Use

Less than half (44%) of the German public perceive themselves as very or somewhat knowledgeable when it comes to computer technology, although males were more likely than females to do so (54% vs. 35%). Not surprisingly, this perception differs dramatically with age, with almost two-thirds (63%) of 18-29 year olds classifying themselves as knowledgeable, dropping to 54% in the 30-49 year-old group, and dropping further still to one-quarter (26%) of those over the age of 50. Similarly, responses follow the expected trend of self-reported computer knowledge increasing with education and household income (Table 1.4).

Just over half (51%) of Germans report using a computer at home, at work, at school or elsewhere, and just under one-in-five (18%) access the Internet once a month or more for e-mail or other purposes. More males than females use a computer (61% vs. 41%), and males are twice as likely to access the Internet (25% vs. 11%). Both computer and Internet use decline with age and increase with education and household income. Indeed, in each of the following categories – 18-29 year olds, post-secondary graduates, and consumers in households with incomes greater

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than 54,000DM -- about three-quarters of the consumers use computers and about one-third access the Internet (Table 1.5).

Consumers who surf the Web, utilize the Internet in a number of ways. This survey inquired about six specific activities consumers might undertake: (1) going to a web site to get information, (2) providing personal information to a web site, such as date of birth, age or address, (3) using a credit card to pay for information purchased on the Internet, (4) using a credit card to pay for goods or services purchased on the Internet, (5) conducting home banking online such as checking balances or paying bills, and (6) investing in the stock market or trading stocks online.

Of those consumers who access the Internet, a large majority (84%) report having gone to a web site to get information during the past year. However, less than half this number (41%) say they have provided personal information to a web site such as date of birth, age or address (Table 1.6).

Using the Internet to conduct financial transactions is not commonplace in Germany. Just over one-third (36%) of those consumers who access the Internet say they use it to conduct home banking online such as checking balances or paying bills. Other than that, very few consumers use the Internet to purchase information with a credit card (4%), use a credit card to purchase goods and services online (13%), or invest in the stock market online (5%) (Table 1.6).

This survey highlighted four industries that require some collection of personal information in order to complete transactions and utilize consumers' personal data for marketing purposes: (1) health, (2) financial services, (3) insurance, and (4) retail. Of consumers who access the Internet, more than half say they surfed their way to retail sites (58%) and financial services sites (52%), while almost one-third visited health sites (30%), and only a relative few have clicked on insurance sites (17%) (Exhibit 1.2 and Table 1.7).

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Table 1.1

**Interest in Information About New Consumer Products and Services:  
By Key Demographic Groups**

Q.110 In general, how interested are you in getting information from businesses about new consumer products or services – [very interested, somewhat interested, not very interested, or not at all interested]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>8</b>	<b>32</b>	<b>66</b>	<b>37</b>
<b>Sex</b>						
Male	(467)	%	10	34	64	34
Female	(533)	%	7	31	68	40
<b>Age</b>						
18-29 years	(143)	%	13	45	54	22
30-49 years	(421)	%	8	35	64	28
50+ years	(385)	%	7	26	73	50
<b>Education</b>						
Primary	(603)	%	7	30	69	39
Secondary	(217)	%	10	36	63	33
Post-Secondary	(141)	%	12	36	62	34
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	10	36	63	38
30,001-54,000	(256)	%	8	31	68	34
More than 54,000	(130)	%	12	37	60	27

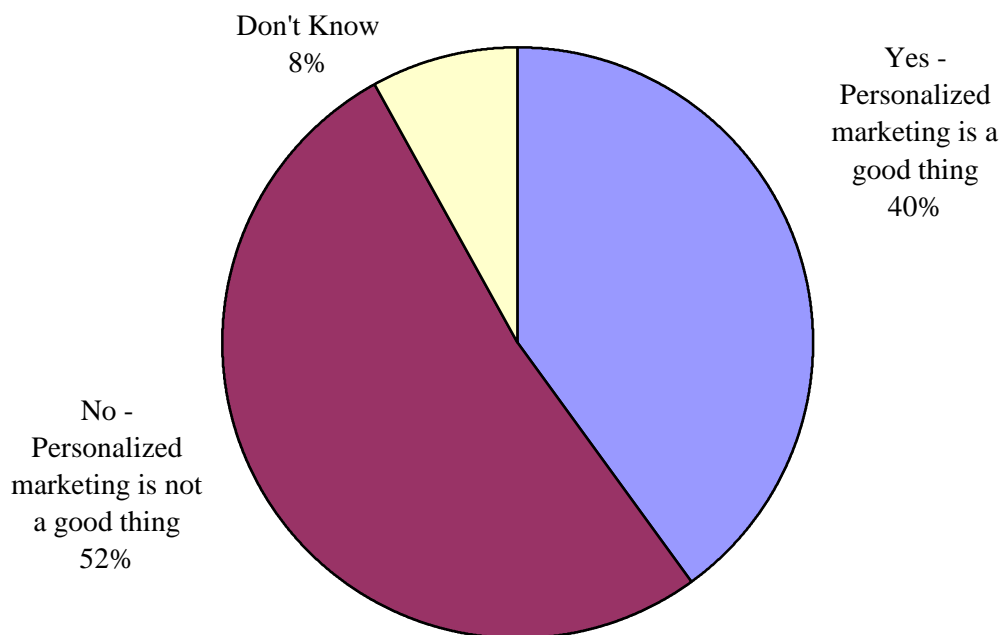
**Ref.:** B1/T2

Exhibit 1.1

Opinion about Personalized Marketing

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

Personalized marketing is a good thing.



Base: All respondents (n=1,000)

Table 1.2a

**Opinion about Personalized Marketing: By Key Demographic Groups**

Q.350 Most companies today want to know about the individual interests and lifestyles of their customers so that they can tailor their marketing to each customer's personal preferences. In general, do you see such PERSONALIZED MARKETING as a good thing for consumers?

	<u>Base: All Respondents</u>	%	<u>Yes, is a good thing</u>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>40</b>
<b>Sex</b>			
Male	(467)	%	42
Female	(533)	%	38
<b>Age</b>			
18-29 years	(143)	%	55
30-49 years	(421)	%	42
50+ years	(385)	%	33
<b>Education</b>			
Primary	(603)	%	40
Secondary	(217)	%	44
Post-Secondary	(141)	%	33
<b>HH Income (in DM)</b>			
30,000 or less	(256)	%	46
30,001-54,000	(256)	%	43
More than 54,000	(130)	%	49

**Ref.:** B1/T58

Table 1.2b

**The Appeal of Various Consumer Benefits in Exchange for Providing Personalized Information:  
By Key Demographic Groups**

- Q.355 In addition to customizing their marketing based on a consumer's particular interests and lifestyle, companies that engage in personalized marketing can also provide other benefits to consumers. Which ONE of the following THREE consumer benefits sounds MOST appealing to you in exchange for providing your personal information?
- A. Advance information on new products and services
  - B. Product discounts
  - C. Better customer service

	<b>Base: Personalized Marketing Is Good</b>		<b>Better customer service</b>	<b>Product discounts</b>	<b>Advance information</b>
<b>Total</b>	<b>(393)</b>	<b>%</b>	<b>45</b>	<b>23</b>	<b>21</b>
<b>Sex</b>					
Male	(193)	%	40	26	24
Female	(200)	%	49	20	17
<b>Age</b>					
18-29 years	(78)	%	47	29	17
30-49 years	(176)	%	43	25	23
50+ years	(128)	%	48	16	19
<b>Education</b>					
Primary	(243)	%	48	21	19
Secondary	(92)	%	41	29	24
Post-Secondary	(47)	%	45	21	21
<b>HH Income (in DM)</b>					
30,000 or less	(115)	%	48	25	18
30,001-54,000	(111)	%	47	22	22
More than 54,000	(63)	%	48	19	26

Ref.: B1/T59

Table 1.3

**Past Year Purchase Behavior Offline: By Key Demographic Groups**

- Q.135 During the past year, have you personally (READ EACH ITEM), [or not]?
- A: Bought something from a catalog or brochure sent to your residence
- B: Bought any product or service offered to you by a telephone call to your residence.

	<b>Base: All Respondents</b>		<b>Bought by mail</b>	<b>Bought by telephone</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>52</b>	<b>4</b>
<b>Sex</b>				
Male	(467)	%	50	3
Female	(533)	%	54	4
<b>Age</b>				
18-29 years	(143)	%	59	3
30-49 years	(421)	%	62	5
50+ years	(385)	%	43	2
<b>Education</b>				
Primary	(603)	%	53	4
Secondary	(217)	%	57	3
Post-Secondary	(141)	%	45	4
<b>HH Income (in DM)</b>				
30,000 or less	(256)	%	52	5
30,001-54,000	(256)	%	60	3
More than 54,000	(130)	%	52	3

**Ref.:** B1/T5

Table 1.4

## Technology Knowledge: By Key Demographic Groups

Q.105 How knowledgeable would you say you are when it comes to computer technology – [very knowledgeable, somewhat knowledgeable, not very knowledgeable, or not at all knowledgeable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>14</b>	<b>44</b>	<b>55</b>	<b>37</b>
<b>Sex</b>						
Male	(467)	%	22	54	46	28
Female	(533)	%	7	35	64	45
<b>Age</b>						
18-29 years	(143)	%	22	63	37	14
30-49 years	(421)	%	16	54	45	24
50+ years	(385)	%	7	26	73	60
<b>Education</b>						
Primary	(603)	%	9	36	64	45
Secondary	(217)	%	19	58	41	17
Post-Secondary	(141)	%	26	59	41	20
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	11	34	65	50
30,001-54,000	(256)	%	12	47	53	34
More than 54,000	(130)	%	22	65	35	17

Ref.: B1/T1



Table 1.5

**Computer and Internet Use: By Key Demographic Groups**

- Q.163 Do you use a computer at home, at work, at school, or any other place, [or not]?
- Q.165 Do you currently access the Internet for e-mail or any other purpose, either at home, work, or school, or any other place, ONCE A MONTH OR MORE, [or not]?
- Q.170 Excluding e-mail, how many hours per week, on average, do you typically spend on the Internet/Web? If you are not sure of the exact number, please try to estimate. If you are unable to give an estimate, please enter 99. If less than one hour please enter "0"

	<b>Base: All Respondents</b>		<b>Yes, use computer</b>	<b>Yes, access the Internet</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>51</b>	<b>18</b>
<b>Sex</b>				
Male	(467)	%	61	25
Female	(533)	%	41	11
<b>Age</b>				
18-29 years	(143)	%	74	31
30-49 years	(421)	%	64	21
50+ years	(385)	%	27	7
<b>Education</b>				
Primary	(603)	%	39	9
Secondary	(217)	%	69	28
Post-Secondary	(141)	%	72	35
<b>HH Income (in DM)</b>				
30,000 or less	(256)	%	39	13
30,001-54,000	(256)	%	51	14
More than 54,000	(130)	%	77	32

**Ref.:** B1/T34,35A

Table 1.6

**Information Exchange Online: By Key Demographic Groups**

Q.180 During the past year have you personally (READ EACH ITEM)?

- A. Gone to the web site to get information
- B. Provided personal information to a web site, such as your date of birth, your age, or your address

	<b>Base: Access the Internet</b>
<b>Total</b>	<b>(174)</b>
	%
Gone to get information	84
Provided information	41
Conducted home banking	36
Used credit card for goods/services	13
Invested in stock market	5
Used credit card for information	4

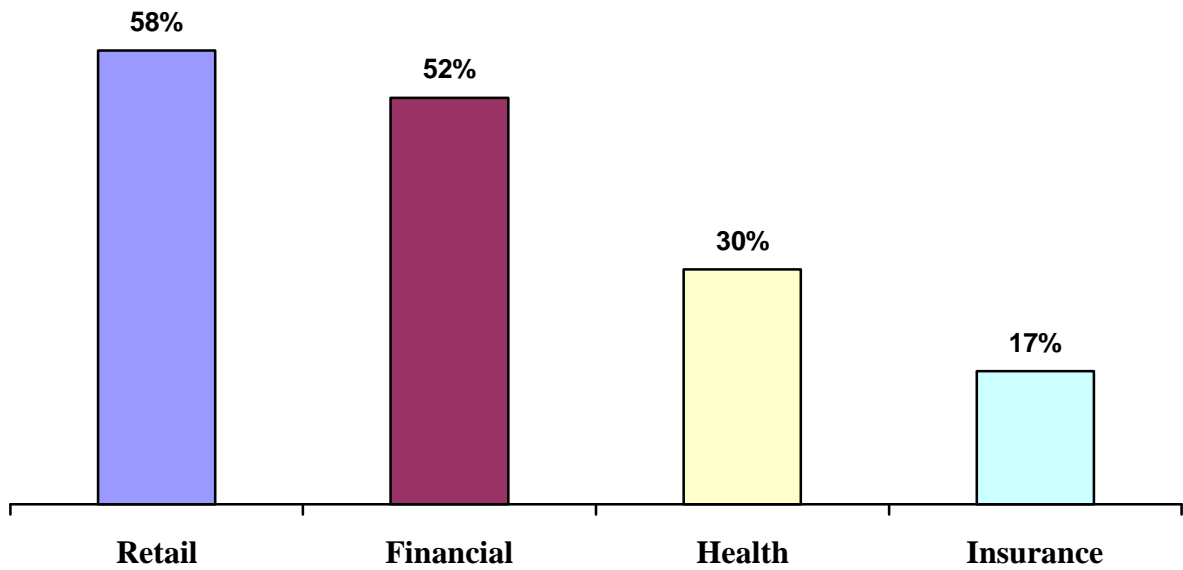
**Ref.:** B1/T43

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Exhibit 1.2

Types of Web Sites Visited

- Q. 530 Which of the following Web sites, if any, have you EVER visited?
- A. Sites on health problems, healthcare, drugs, and pharmaceutical products
  - Q. Sites on Financial Types, such as banks, credit cards, and investments
  - R. Sites offering any kind of insurance — such as life, health, accident, auto or residential
  - S. Sites from retail stores or catalogs offering consumer products of any kind



Base: Access the Internet (n=174)

**Table 1.7**

**Types of Web sites Visited**

- Q. 530 Which of the following web sites, if any, have you EVER visited?
- A. Sites on health problems, healthcare, drugs, and pharmaceutical products
  - T. Sites on financial services, such as banks, credit cards, and investments
  - U. Sites offering any kind of insurance — such as life, health, accident, auto or residential
  - V. Sites from retail stores or catalogs offering consumer products of any kind

	<b>Base:</b> <b>Access the</b> <b>Internet</b>
<b>Yes, have visited type of site</b>	<b>(174)</b>
	%
Retail	58
Financial services	52
Health	30
Insurance	17

**Ref.:** B1/T78

## Chapter 2: Consumers' Industry Confidence

Providing personal information is becoming an almost routine part of making ordinary consumer purchases. But, as requests for personal information on the part of businesses' increase, how comfortable are consumers in providing that information and how confident are they that their personal information is handled appropriately? This survey looked in some detail at consumer attitudes towards the healthcare, financial, insurance and retail industries -- business sectors that are major requestors and users of personal consumer information.

### Industry Comparison of Consumer Confidence Levels

As noted in the previous chapter, this survey examined four major industries – healthcare, financial services, insurance, and retail – and eight sectors within those industries. In an industry and sector comparison of the degree of confidence consumers have that their personal information is handled properly and confidentially, companies that sell prescription and over-the-counter drug products engender the greatest trust among consumers, with 74% reporting they are “very” or “somewhat” confident. The other sector in the health industry, healthcare providers, scores closely on the heels of drug companies with 71%.

With 70% of consumers very or somewhat confident, banks also garner a relatively high degree of consumer confidence. This is followed by just over half (52%) of consumers reporting they are very or somewhat confident in property insurance companies and just under half (47%) confident in large department stores.

Companies that sell their products and services by catalog only, and life insurance companies earn the confidence of a minority of consumers at 42% and 40%, respectively.

Trailing considerably, in last place, are the companies that sell their products and services over the Internet – only 10% of the German public feel very or somewhat confident that these companies handle personal information properly and confidentially (Exhibit 2.1 and Table 2.1).

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## A Closer Look at Industry Segments and Respondent Groups<sup>1</sup>

### *Healthcare Industry*

Looking at the health care industry in more detail, it is notable that both the healthcare providers and the pharmaceutical companies are held in almost equally high regard among German consumers in terms of the confidence consumers have in how these businesses handle their personal information, with pharmaceutical companies having a slight edge over healthcare providers (74% vs. 71%). The degree of confidence decreases as education level increases. Also, older consumers are less confident than younger ones. For example, for healthcare providers, confidence levels dip as age increases from a high of 82% among 18–29 year olds to 72% for 30-49 year olds, to 68% for those 50 and older. It is possible that these lower confidence reflect greater use of the industry’s services among older segments of the population (Table 2.2).

### *Financial Services Industry*

With 70% of consumers very or somewhat confident about the handling of their personal information, banks engender solid confidence ratings across all the demographic groups. Females are more likely than males to have confidence in the financial services industry (72% vs. 67%). Also, confidence levels decline as consumers’ age, education, and level of household income rise (Table 2.3).

### *Insurance Industry*

Consumers view the two segments of the insurance industry examined in this survey – life and property – quite differently. While a slight majority (52%) are very or somewhat confident of the way property insurance companies handle their personal information, a decided minority (40%) feel the same way about the life insurance industry. Confidence in both types of insurance companies is highest among the 18-29 year-old age group, although this may be the

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<sup>1</sup> As noted in the Introduction to the Germany section of this report, health insurance companies and credit card companies were considered in the U.S. and U.K., but excluded from the German version of the questionnaire because private companies that provide these services to consumers are not prevalent in Germany,

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group with the least experience with both. Confidence also declines as education levels increase (Table 2.4).

### ***Retail Industry***

Among the three sectors of the retail industry – catalog sales, department stores, and Internet sales – striking differences emerge between the first two and the latter. While a minority of consumers feel confident about the handling of personal information by all three, confidence in Internet companies, at 10%, lags far behind that of catalog companies (42%) and department stores (47%).

For catalog companies, confidence levels decrease slightly as education level rises. As with the catalog companies, department stores also see a drop in confidence among higher educated consumers, but confidence levels do rise slightly as household income increases.

Internet companies follow an opposite pattern as far as education is concerned in that confidence rises, albeit slightly, as education levels increase (Exhibit 2.2 and Table 2.5a).

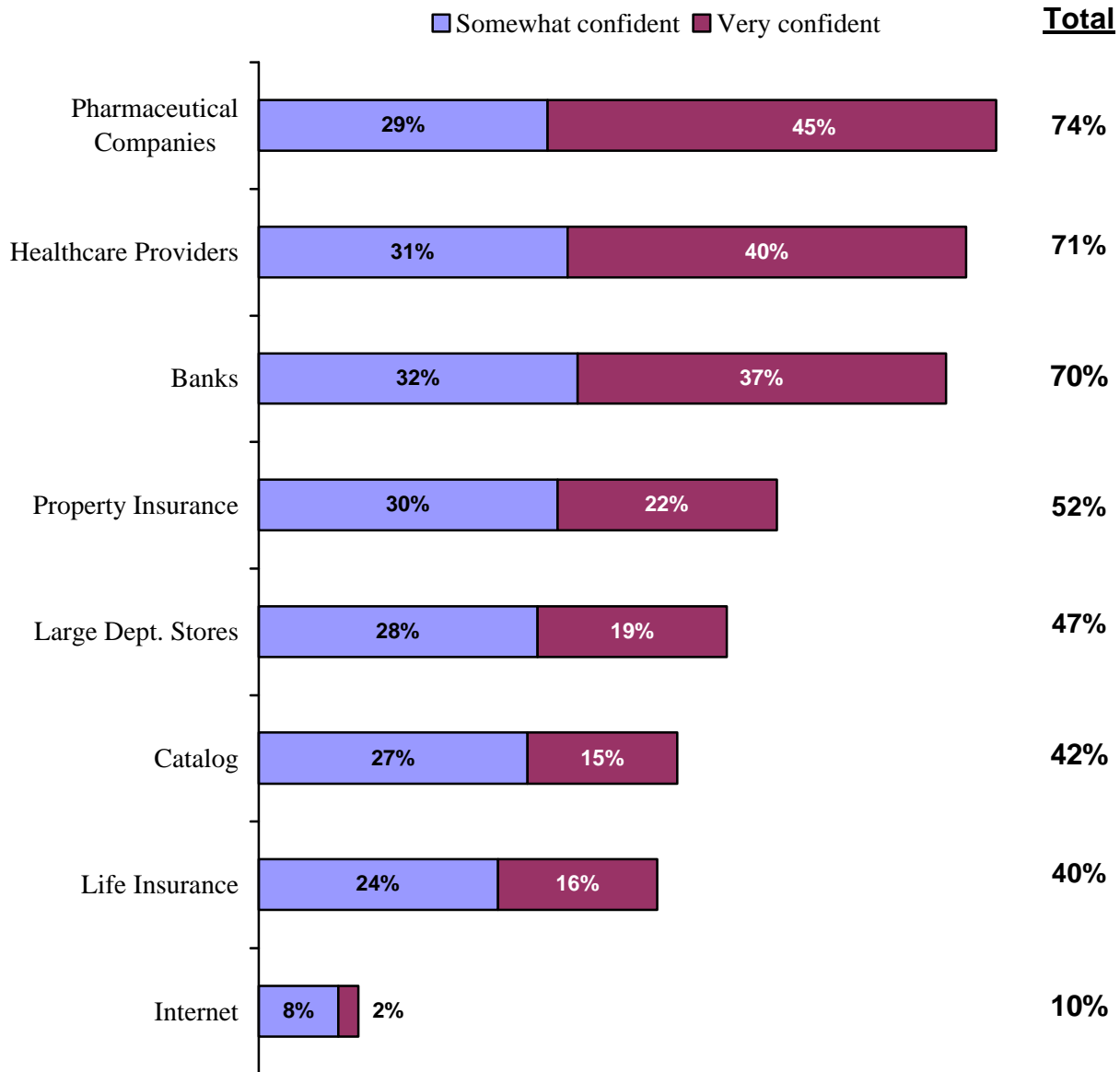
When data for the retail industry are considered by key consumer groups, a pattern emerges among the responses of more “active” consumers. For all three retail sectors, consumers who say they are interested in product and service information have greater levels of confidence than those who do not. This also is the case for consumers who have purchased in the past year from a mail order catalog or telephone call. Also, not surprisingly, greater consumer confidence in all three types of retail companies exists among those consumers who think personalized marketing is a good thing versus those who do not (Table 2.5b).

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Exhibit 2.1

Confidence in Various Industries

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]



Base: All respondents (n=1,000)



Table 2.1

Confidence in Various Industries

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Banks</b> that provide checking and savings accounts and credit cards	(1000)	%	37	70	26	9
<b>Healthcare providers</b> such as hospitals and other healthcare facilities	(1000)	%	40	71	21	5
Companies that sell <b>prescription and over-the-counter drug products</b>	(1000)	%	45	74	20	7
<b>Large department stores</b> such as [local examples]	(1000)	%	19	47	37	13
<b>Life insurance</b> companies	(1000)	%	16	40	51	22
<b>Property insurance</b> companies, such as companies that sell accident, auto, and residential insurance	(1000)	%	22	52	41	15
Companies that sell their products and services by <b>catalog</b> only	(1000)	%	15	42	48	19
Companies that sell their products and services over the <b>Internet</b>	(1000)	%	2	10	48	26

Ref.: B1/T16-19

Table 2.2

**Confidence in Healthcare Industry: By Key Demographic Groups**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- A. Healthcare providers such as hospitals and other healthcare facilities
  - B. Companies that sell prescription and over-the-counter drug products

	Base: All Respondents	%	Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>40</b>	<b>71</b>	<b>45</b>	<b>74</b>
<b>Sex</b>						
Male	(467)	%	36	69	41	71
Female	(533)	%	43	73	49	77
<b>Age</b>						
18-29 years	(143)	%	53	82	47	81
30-49 years	(421)	%	37	72	39	69
50+ years	(385)	%	38	68	52	77
<b>Education</b>						
Primary	(603)	%	41	74	47	77
Secondary	(217)	%	44	72	48	78
Post-Secondary	(141)	%	32	61	36	62
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	46	79	49	80
30,001-54,000	(256)	%	42	74	43	75
More than 54,000	(130)	%	36	72	47	72

Ref.: B1/T6,7

Table 2.3

**Confidence in Financial Services Industry: By Key Demographic Groups**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- C. Banks that provide checking and savings accounts and credit cards

	Base: All Respondents	%	Banks	
			Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>37</b>	<b>70</b>
<b>Sex</b>				
Male	(467)	%	34	67
Female	(533)	%	41	72
<b>Age</b>				
18-29 years	(143)	%	46	75
30-49 years	(421)	%	33	70
50+ years	(385)	%	40	69
<b>Education</b>				
Primary	(603)	%	38	72
Secondary	(217)	%	43	71
Post-Secondary	(141)	%	29	64
<b>HH Income (in DM)</b>				
30,000 or less	(256)	%	47	76
30,001-54,000	(256)	%	36	71
More than 54,000	(130)	%	41	67

Ref.: B1/T8,9

Table 2.4

Confidence in Insurance Industry: By Key Demographic Groups

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- E. Life insurance companies
- F. Property insurance companies, such as companies that sell accident, auto, and residential insurance

	Base: All Respondents		Insurance Companies			
			Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>16</b>	<b>40</b>	<b>22</b>	<b>52</b>
<b>Sex</b>						
Male	(467)	%	15	38	19	50
Female	(533)	%	17	42	24	54
<b>Age</b>						
18-29 years	(143)	%	18	44	23	61
30-49 years	(421)	%	14	37	20	50
50+ years	(385)	%	19	44	24	53
<b>Education</b>						
Primary	(603)	%	20	43	24	55
Secondary	(217)	%	11	37	19	51
Post-Secondary	(141)	%	13	36	20	48
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	19	44	23	54
30,001-54,000	(256)	%	17	39	21	53
More than 54,000	(130)	%	16	41	26	52

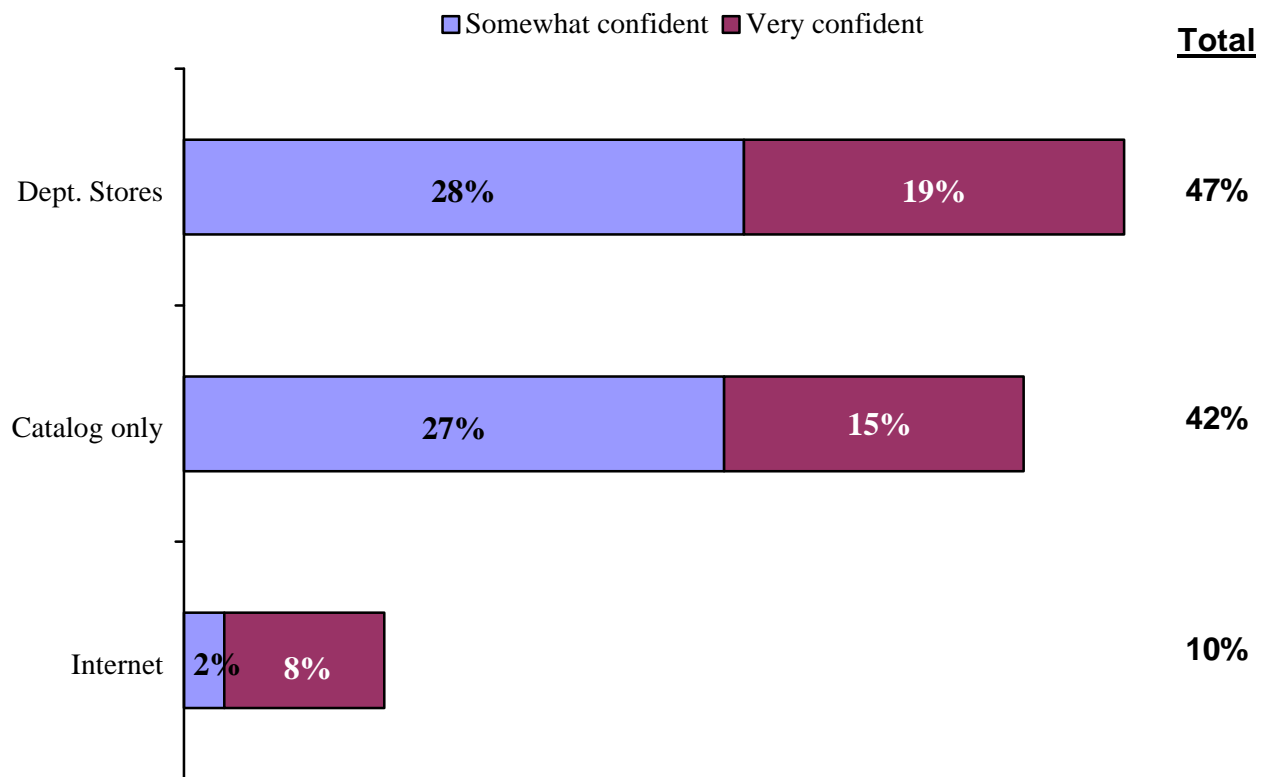
Ref.: B1/T11-12

Exhibit 2.2

Confidence in Retail Industry

Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]

- Q. Companies that sell their products and services by catalog only
- R. Large department stores such as Macy’s or Sears
- S. Companies that sell their products and services over the Internet



Base: All respondents (n=1,000)

Table 2.5a

**Confidence in Retail Industry: By Key Demographic Groups**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- G. Companies that sell their products and services by catalog only
  - H. Large department stores such as [local examples]
  - I. Companies that sell their products and services over the Internet

**Retail Establishments**

	Base: All Respondents	%	Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>		<b>15</b>	<b>42</b>	<b>19</b>	<b>47</b>	<b>2</b>	<b>10</b>
<b>Sex</b>								
Male	(467)	%	13	41	19	47	3	12
Female	(533)	%	16	42	19	47	2	8
<b>Age</b>								
18-29 years	(143)	%	13	41	21	55	1	12
30-49 years	(421)	%	14	42	15	43	2	11
50+ years	(385)	%	18	44	22	50	3	9
<b>Education</b>								
Primary	(603)	%	18	46	21	51	3	9
Secondary	(217)	%	12	39	18	47	2	10
Post-Secondary	(141)	%	10	35	14	36	1	14
<b>HH Income (in DM)</b>								
30,000 or less	(256)	%	17	44	18	48	2	11
30,001-54,000	(256)	%	17	50	22	51	3	10
More than 54,000	(130)	%	17	41	23	54	3	12

Ref.: B1/T13-15

Table 2.5b

**Confidence in Retail Industry: By Key Consumer Groups**

- Q.150 The following is a list of different types of companies and organizations that collect information FROM consumers in order to provide products and services TO consumers. How CONFIDENT are you that these types of companies and organizations handle YOUR personal information properly and confidentially– [are you very confident, somewhat confident, not very confident, or not at all confident]? [READ EACH ITEM]
- H. Companies that sell their products and services by catalog only
  - I. Large department stores such as [local examples]
  - J. Companies that sell their products and services over the Internet

	Base: All Respondents	%	Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>		<b>15</b>	<b>42</b>	<b>19</b>	<b>47</b>	<b>2</b>	<b>10</b>
<b>Interest in Product and Service Information</b>								
Very/SW	(323)	%	18	50	22	54	3	15
Not Very/Not at all	(666)	%	13	38	18	44	2	8
<b>Past Year Catalog/ Telephone Purchase</b>								
Yes	(531)	%	19	51	20	48	2	11
No	(469)	%	11	32	18	46	3	9
<b>Think Personalized Marketing a Good Thing</b>								
Yes	(393)	%	18	48	25	56	2	13
No	(519)	%	13	38	16	43	2	8

Ref.: B2/T13,14,15

### Chapter 3: Privacy Attitudes and Experiences

This chapter examines the attitudes of the German public towards the privacy of personal information, and the experiences some consumers have in their dealings with the businesses that use their personal information to provide and advertise products and services.

#### Attitudes About Privacy

More than one-quarter (28%) of the German public report that they have personally been a victim of what they felt was an improper invasion of privacy by a business. Males are more likely to feel they have been victimized than females (35% vs. 22%), and higher educated consumers are more than twice as likely to report having been victims than do those with only a primary school education (48% vs. 21%). This same trend holds true for household income; as household income rises, so does the level of reported victimization (Table 3.1).

The vast majority of consumers, 79%, agree strongly or somewhat with the statement that “consumers have lost all control over how personal information is collected and used by companies.” To the assertion that “it is impossible to protect consumer privacy in the computer age,” 70% of respondents voiced strong or somewhat agreement. At the same time, a slight majority of respondents (54%) also agree that “most businesses handle the personal information they collect about consumers in a proper and confidential way.” And, a nearly equal number (55%) think that “existing laws and organizational practices in Germany provide a reasonable level of consumer privacy protection today” (Exhibit 3.1 and Table 3.2a).

Respondents who access the Internet were asked to state their agreement with two additional statements concerning online businesses. Here, just under half, or 49%, of respondents strongly or somewhat agree that “business web sites are doing a better job these days providing privacy notices and informing visitors how any personal information collected will be used.” Given that Germans, in general, indicate a quite low level of confidence in online businesses in the handling

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of their personal information (see Table 2.1), it is not surprising that this number is relatively low.

In a second question directed at online consumers, more than two-thirds (69%) strongly or somewhat agree that “the benefits of using the Internet to get information, send e-mail, and to shop far outweigh the privacy problems that are currently being worked on today” (Table 3.2a).

### **Classifying Consumers by Degree of Privacy Concern**

Thus far, discussion has focused on the responses to specific questions about consumer attitudes. From four sets of these attitudinal questions it is possible to identify consumers who fit one of more of the following descriptions: (1) lack interest in receiving product and service information, (2) view personalized marketing negatively, (3) have little confidence in the way businesses handle consumer information, and (4) believe current laws in Germany are inadequate to protect consumers. Consumers whose attitudes are characterized by three or four of these qualities are considered to have a “High” degree of Privacy Concern, while those fitting one or two aspects of the profile can be considered “Medium” in term of Privacy Concern; otherwise, they are classified as having “Low” Privacy Concern.

Roughly half of the respondents (55%) fall into the “Medium” Privacy Concerned category, with one-third in the “High” (33%) category and the rest in the “Low” category (12%). In terms of group membership, there are some minor differences, with most of the respondents under 30 in the “Medium” group, along with a slightly higher than average percentage of the lowest income group. Otherwise the mix of education and household income levels represented in each group mirrors the overall averages for each. These general categories of High, Medium and Low privacy concern will be used throughout the remainder of the report to examine the responses to a host of other questions (Table 3.2b).

When it comes to the possible misuse of personal information in Germany today, almost three-quarters (72%) of the German public say they are very or somewhat concerned. This level of concern is quite consistent across all the major demographic groups.

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When considered by some of the key privacy groups, not surprisingly, sharp differences can be discerned. Among consumers who report having been victims of a privacy invasion, 88% are very or somewhat concerned about the misuse of their personal information (this is vs. 66% of those who have not been victims). Also, 82% of those consumers who have been classified as having a High degree of Privacy Concern are more likely than are other groups to be concerned about possible misuse of information (Table 3.3a and 3.3b).

Among consumers who access the Web, a substantial majority (83%) say they are very or somewhat concerned about threats to their personal privacy today when using the Internet, with just over half of these (51%) saying they are very concerned. Consumers who use credit cards to purchase information or goods and services over the Internet are among those most likely to say (56%) they are very concerned (Exhibit 3.2 and Table 3.4).

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Table 3.1

**Victim of Improper Invasion of Privacy: By Key Demographic Groups**

Q.230 As a consumer, have YOU personally ever been the victim of what you felt was an improper invasion of privacy by a business, [or not]?

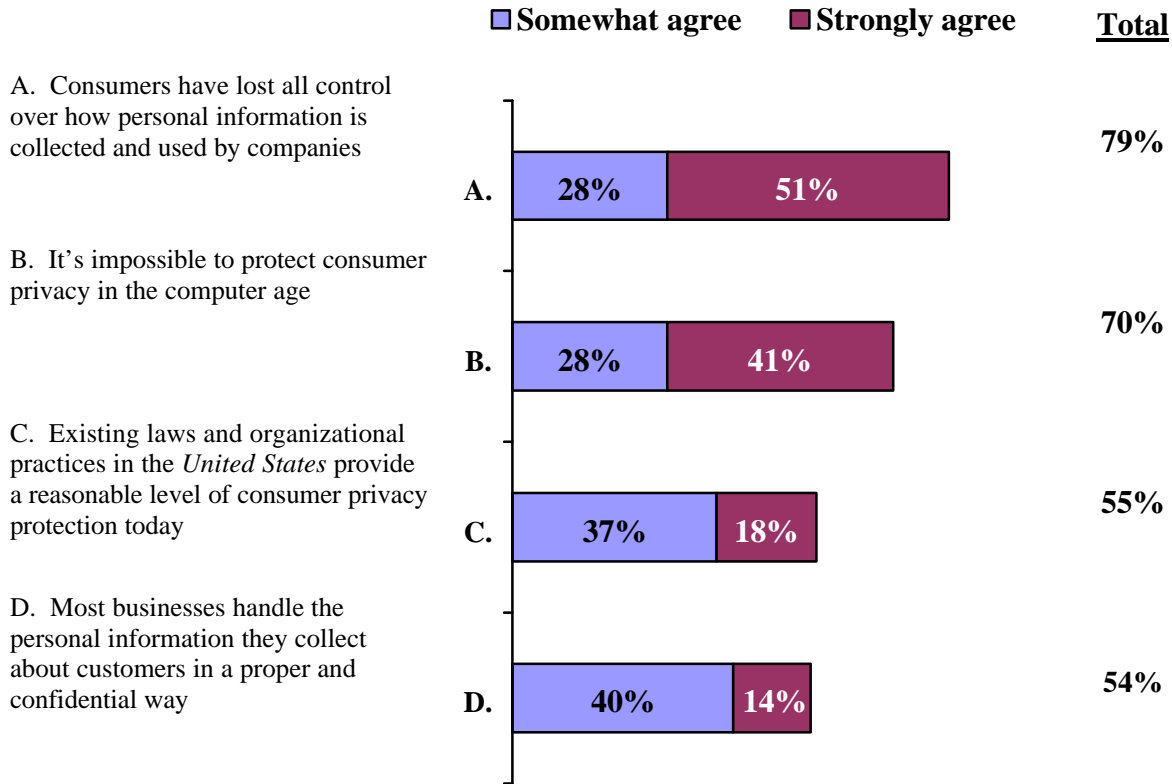
	<u>Base: All Respondents</u>		<u>Yes, have been a victim</u>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>28</b>
<b>Sex</b>			
Male	(467)	%	35
Female	(533)	%	22
<b>Age</b>			
18-29 years	(143)	%	27
30-49 years	(421)	%	34
50+ years	(385)	%	21
<b>Education</b>			
Primary	(603)	%	21
Secondary	(217)	%	34
Post-Secondary	(141)	%	48
<b>HH Income (in DM)</b>			
30,000 or less	(256)	%	19
30,001-54,000	(256)	%	27
More than 54,000	(130)	%	41

**Ref.:** B1/T46

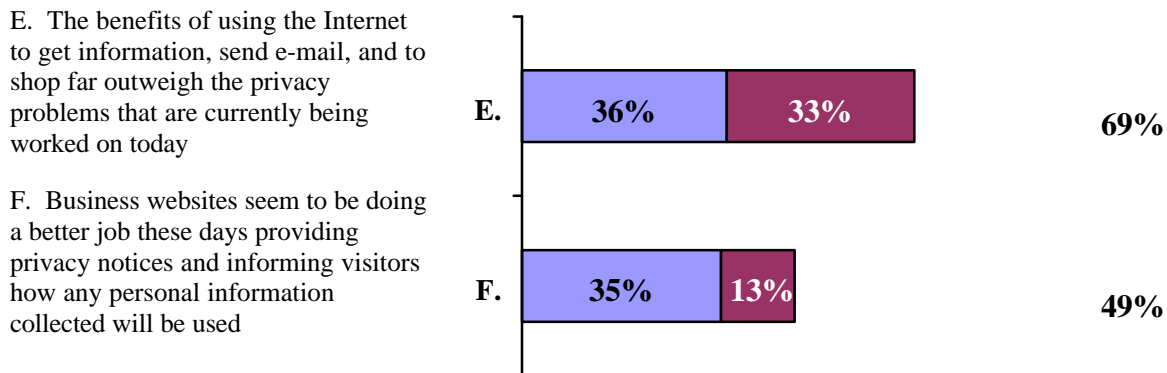
Exhibit 3.1

Privacy Attitudes

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?



A.-D.: Base: All respondents (n=1,000)



E.& F.: Base: Access the Internet (n=174)

Table 3.2a

Privacy Attitudes

Q.235 How strongly do you agree or disagree with the each of the following statements? (READ EACH ITEM) - do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

	<b>Base: All Respondents</b>		<b>Agree</b>		<b>Disagree</b>	
			<b>Strongly</b>	<b>Strongly/ Somewhat</b>	<b>Strongly/ Somewhat</b>	<b>Strongly</b>
A. Consumers have lost all control over how personal information is collected and used by companies	(1000)	%	51	79	15	5
B. It's impossible to protect consumer privacy in the computer age	(1000)	%	41	70	24	11
C. Most businesses handle the personal information they collect about customers in a proper and confidential way	(1000)	%	14	54	40	14
D. Existing laws and organizational practices in <i>Germany</i> provide a reasonable level of consumer privacy protection today	(1000)	%	18	55	39	15
<hr/>						
	<b>Base: Access the Internet</b>					
E. Business web sites seem to be doing a better job these days providing privacy notices and informing visitors how any personal information collected will be used	(174)	%	13	49	41	17
F. The benefits of using the Internet to get information, send e-mail, and to shop far outweigh the privacy problems that are currently being worked on today	(174)	%	33	69	27	7

Ref.: B1/T47-52

Table 3.2b

## Privacy Concern: By Key Demographic Groups

**Attitudes include:**

1. Not very/not at all interested in getting information from businesses about new consumer products or services.
2. No, personalized marketing is not a good thing.
3. Most businesses handle the personal information they collect about customers in a proper and confidential way – somewhat/strongly disagree
4. Existing laws and organizational practices in *Germany* provide a reasonable level of consumer privacy protection today – somewhat/strongly disagree

	<b>Base: All Respondents</b>		<b>High (3-4)</b>	<b>Medium (1-2)</b>	<b>Low (None)</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>33</b>	<b>55</b>	<b>12</b>
<b>Sex</b>					
Male	(467)	%	32	56	12
Female	(533)	%	35	53	11
<b>Age</b>					
18-29 years	(143)	%	20	65	15
30-49 years	(421)	%	36	49	14
50+ years	(385)	%	34	57	9
<b>Education</b>					
Primary	(603)	%	33	55	12
Secondary	(217)	%	31	58	11
Post-Secondary	(141)	%	37	51	12
<b>HH Income (in DM)</b>					
30,000 or less	(256)	%	26	61	13
30,001-54,000	(256)	%	33	55	12
More than 54,000	(130)	%	25	55	20

Ref.: B1/T57a

Table 3.3a

**Concern About Misuse of Personal Information: By Key Demographic Groups**

Q.220 How concerned are you about the possible misuse of your personal information in *Germany* today—[are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	Base: All Respondents		% Concerned about misuse			
			Very	Very/ Somewhat	Not very/ not at all	Not at all
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>34</b>	<b>72</b>	<b>26</b>	<b>8</b>
<b>Sex</b>						
Male	(467)	%	36	74	24	5
Female	(533)	%	33	70	28	10
<b>Age</b>						
18-29 years	(143)	%	31	73	26	5
30-49 years	(421)	%	37	76	22	3
50+ years	(385)	%	30	67	30	14
<b>Education</b>						
Primary	(603)	%	34	72	26	10
Secondary	(217)	%	35	73	26	6
Post-Secondary	(141)	%	33	73	25	2
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	32	70	26	13
30,001-54,000	(256)	%	32	74	25	6
More than 54,000	(130)	%	33	68	32	8

Ref.: B1/T44

Table 3.3b

Concern About Misuse of Personal Information: By Key Privacy Groups

Q.220 How concerned are you about the possible misuse of your personal information in *Germany* today—[are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	<u>Base:</u> <u>All</u> <u>Respondents</u>	<u>%</u>	<u>Very</u>	<u>Very/ Somewhat</u>	<u>Not very/ not at all</u>	<u>Not at all</u>
<b>Total</b>	<b>(1000)</b>		<b>34</b>	<b>72</b>	<b>26</b>	<b>8</b>
<b>Victim of Privacy Invasion</b>						
Yes	(287)		51	88	11	1
No	(693)		28	66	32	11
<b>Privacy Concern</b>						
High	(342)		47	82	18	5
Medium	(540)		28	66	30	10
Low	(118)		26	71	29	9

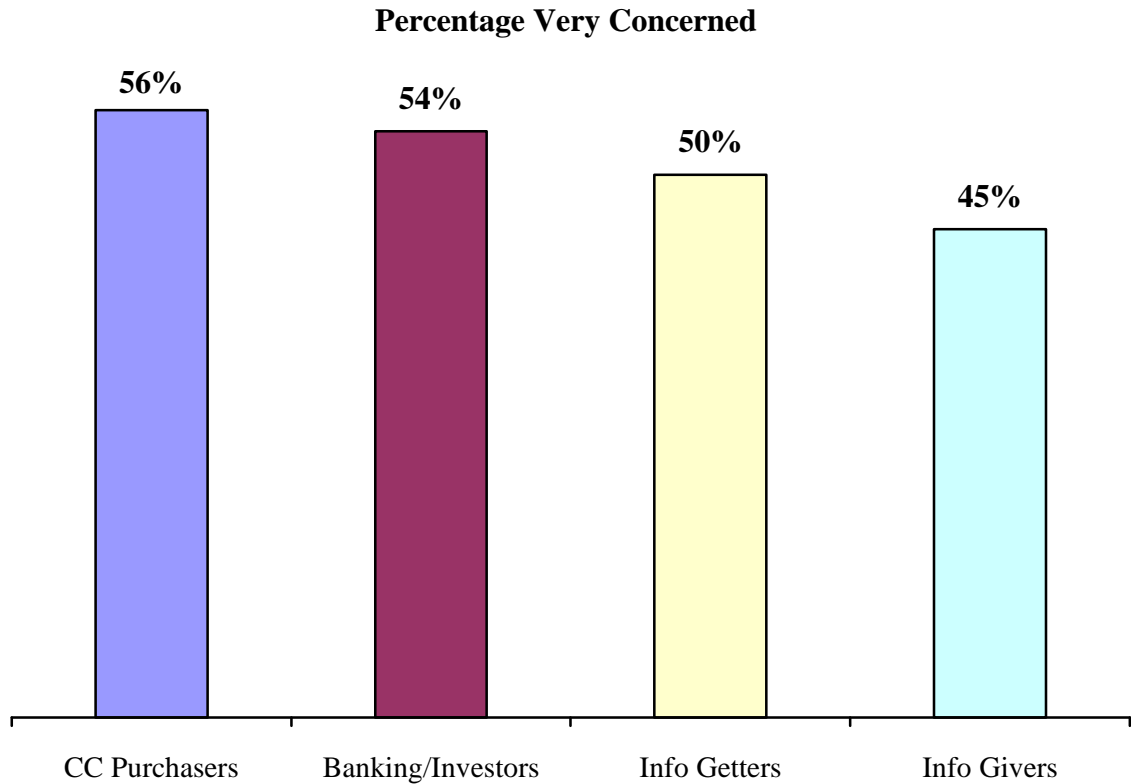
Ref.: B4/T44



Exhibit 3.2

Concern About Misuse of Personal Information when Using the Internet

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?



**Base:** Access the Internet (n= varies)

- 
- Credit Card Purchasers:** Respondents who have used a credit card to pay for information or goods and services purchased on the internet. (n= 22)
  - Banking/Investors:** Respondents who have conducted home banking or have invested in the stock market online. (n= 63)
  - Information Getters:** Respondents who have gone to a website for information in the past year. (n= 145)
  - Information Givers:** Respondents who have provided personal information to a website, such as date of birth, age, or address. (n= 72)
-

Table 3.4

**Concern About Misuse of Personal Information when Using the Internet**

Q.225 How concerned are you about threats to your personal privacy today WHEN USING THE INTERNET — [are you very concerned, somewhat concerned, not very concerned, or not at all concerned]?

	<b>Base: Access the Internet</b>
<b>Total</b>	<b>(174)</b> %
<b><u>Very/Somewhat (Net)</u></b>	<b><u>83</u></b>
Very	51
Somewhat	32
<b><u>Not very/Not at all (Net)</u></b>	<b><u>16</u></b>
Not very	12
Not at all	4

**Ref.:** B1/T45

## Chapter 4: Privacy Protection Behaviors — Offline

Quite clearly, as has been discussed in previous chapters, a majority of Germans are concerned about the handling and possible misuse of personal information by some businesses. But, to what extent does this concern translate into actions on the part of the German public to take steps to protect and limit access to their personal information? This chapter explores the answers to this and related questions.

This chapter looks at “offline” behaviors, that is, steps consumers take to deal with the use of their personal information in the offline world of in-person, mail and telephone consumer transactions. “Online” behaviors undertaken by consumers who use the Internet to make purchases, are discussed in Chapter 5.

### *“Remove My Name and Address From Your Files”*

Only about one-quarter (23%) of consumers report that they have, on at least one occasion, asked a company to remove their name and address from the lists the company uses for marketing purposes. The more highly educated consumer is twice as likely to have done so than the consumer with a primary school education or less (35% vs. 17%). Among household income groups, there is a rise in the proportion of consumers who have taken this action, ranging from only 14% for those consumers with household incomes of 30,000 DM or less to almost one-third (32%) of those in households with incomes of more than 54,000 DM (Table 4.1a and Exhibit 4.1).

Not surprisingly, consumers who report having been victims of a privacy invasion are more likely to say (41%) they have asked for removal of their name and address from a marketer’s list. The likelihood of asking for removal of one’s name increases with the degree of consumers’ Privacy Concern as classified earlier (see Chapter 3), but only slightly (Table 4.1b).

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***“Do Not Sell Or Give Away My Name”***

Only about one-third of all consumers (32%) say they have asked a company not to sell or give their name and address to another company. Males are more likely than females to have taken this step (39% vs. 25%), and more highly educated consumers are twice as likely than less educated consumers (50% of post-secondary grads vs. 26% of those with a primary school education) to have taken this step. Also, the percentage of consumers who have limited use of their name is highly correlated with household income, from 19% of those in the 30,000 DM income group, to 32% of those in the 30,001-54,000 DM group, to 49% of those in the 54,000+ group. Not surprisingly, consumers who are privacy sensitive are more likely than those who are not to take this action. For example, more than half (52%) of those who have been victims of a privacy invasion have made a request to limit the use of their name (vs. 24% of those who have not been victimized (Tables 4.1a, 4.1b and Exhibit 4.1).

***“I’d Like to See What’s In My File”***

Just one-in-ten (10%) consumers actually have taken the step of asking a company to see what personal information, besides billing information, it had about the consumer in its customer records. While younger and higher income consumers were slightly more likely to have higher scores than other groups, only the consumers who say they were victims of a privacy invasion, at 19%, have an above-average score on this measure, and even here, it is a clearly a minority of the German public (Tables 4.1a, 4.1b and Exhibit 4.1).

***“What is Your Company’s Policy on How You Will Use My Personal Information?”***

Only 10% of German consumers say they personally have inquired about or looked to see whether a business or service they were thinking of using had any policies on how it would use the consumer information it collects. Males are more likely than females, younger Germans are more likely than older Germans, and consumers in the highest income group are more likely than lower-income consumers to say they have made such a request. Among the key privacy groups, those who are concerned about misuse of data in general, and those who have been victims of an

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invasion of privacy, are more likely to have inquired about privacy policies than are other groups (Tables 4.2a, 4.2b and Exhibit 4.1).

***“I Refuse to Give Your Company That Information Because It Is Unnecessary and Too Personal”***

Just over half (52%) of the public say they have refused to give information to a business or company because they thought it was not really needed or too personal. Refusal rates decline with age, with almost two-thirds (64%) of 18 – 29 year olds saying they have refused to provide information, dropping to 42% for the 50 plus group. Refusal to provide information increases with education and income, with 64% of post-secondary grads and an equal percentage of consumers in households with income of more than 54,000 DM taking this action. Not unexpectedly, refusal rates are quite high among the key privacy groups. Almost three-quarters (72%) of consumers who have been victims of a privacy invasion have refused to provide information, as have almost two-thirds of both consumers very concerned about the misuse of data (62%) and those with a high degree of privacy concern (63%) (Tables 4.2a, 4.2b and Exhibit 4.1).

***“I Will Not Purchase This Because I Am Not Sure How You Will Use My Personal Information”***

More than one-third (35%) of consumers have decided not to use or purchase something from a company because they weren't sure how the company would use their personal information. Males are more likely than females to say they have refused to make a purchase (38% vs. 31%) for this reason, and refusal rates decline steeply with age, with 46% for the 18-29 age group dropping to 25% for those 50 and older. Higher income consumers are slightly more likely than lower income consumers to decide not to make a purchase. Not surprisingly, at 53%, consumers who have been victims of a privacy invasion are the group most likely to take this action. Consumers who are very concerned about the misuse of data in general also have higher than average refusal rates, and these rates tend to increase slightly with an increase in the degree of privacy concern (Tables 4.2a, 4.2b and Exhibit 4.1).

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### Classifying Consumers by Offline Behaviors

Table 4.3 takes a simultaneous look at the full set of consumer actions just discussed (see Exhibit 4.1 for a summary). Consumers can be classified according to the extent they have engaged in any of these actions to protect the privacy of their personal information. Of the six behaviors listed, those who have engaged in at least five of these may be considered to have a “High” level of Privacy Protection Behaviors; those who have done three to four can be said to have a “Medium” level, and those with experience in two or fewer such behaviors may be classified as having a “Low” level of such behavior.

Judging by these categories, Germans are not particularly active when it comes to taking privacy protection measures when dealing with personal, mail, and telephone business transactions.

Almost three-quarters (74%) fall into the Low category, while 20% can be classified as Medium and only 6% as High. Females, consumers aged 50 years and older, and those with 30,000 DM or less in household income are more likely to be in the Low category. These categories are used in subsequent chapters in this study to examine the responses to selected attitudinal questions.

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Table 4.1a

**OFFLINE Privacy Protection Behaviors — I: By Key Demographic Groups**

- Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?
- A. Asked a company to remove your name and address from any lists they use for marketing purposes
  - B. Asked a company not to sell or give your name and address to another company
  - C. Asked a company to see what personal information, besides billing information, they had about you in their customer records

	Base: All Respondents		% Who have asked company to:		
			Remove name & address	Limit use of name & address	Examine personal file
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>23</b>	<b>32</b>	<b>10</b>
<b>Sex</b>					
Male	(467)	%	26	39	14
Female	(533)	%	20	25	6
<b>Age</b>					
18-29 years	(143)	%	22	33	16
30-49 years	(421)	%	27	43	10
50+ years	(385)	%	19	21	8
<b>Education</b>					
Primary	(603)	%	17	26	7
Secondary	(217)	%	29	37	15
Post-Secondary	(141)	%	35	50	13
<b>HH Income (in DM)</b>					
30,000 or less	(256)	%	14	19	6
30,001-54,000	(256)	%	23	32	9
More than 54,000	(130)	%	32	49	15

Ref.: B1/T70

Table 4.1b

**OFFLINE Privacy Protection Behaviors — I: By Key Privacy Groups**

- Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?
- A. Asked a company to remove your name and address from any lists they use for marketing purposes
  - B. Asked a company not to sell or give your name and address to another company
  - C. Asked a company to see what personal information, besides billing information, they had about you in their customer records

	<b>Base: All Respondents</b>		<b>% Who have asked company to:</b>		
			<b>Remove name &amp; address</b>	<b>Limit use of name &amp; address</b>	<b>Examine personal file</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>23</b>	<b>32</b>	<b>10</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(347)	%	32	42	15
No	(653)	%	18	27	7
<b>Victim of Privacy Invasion</b>					
Yes	(287)	%	41	52	19
No	(693)	%	15	24	7
<b>Privacy Concern</b>					
High	(342)	%	26	36	13
Medium	(540)	%	22	30	8
Low	(118)	%	17	29	10

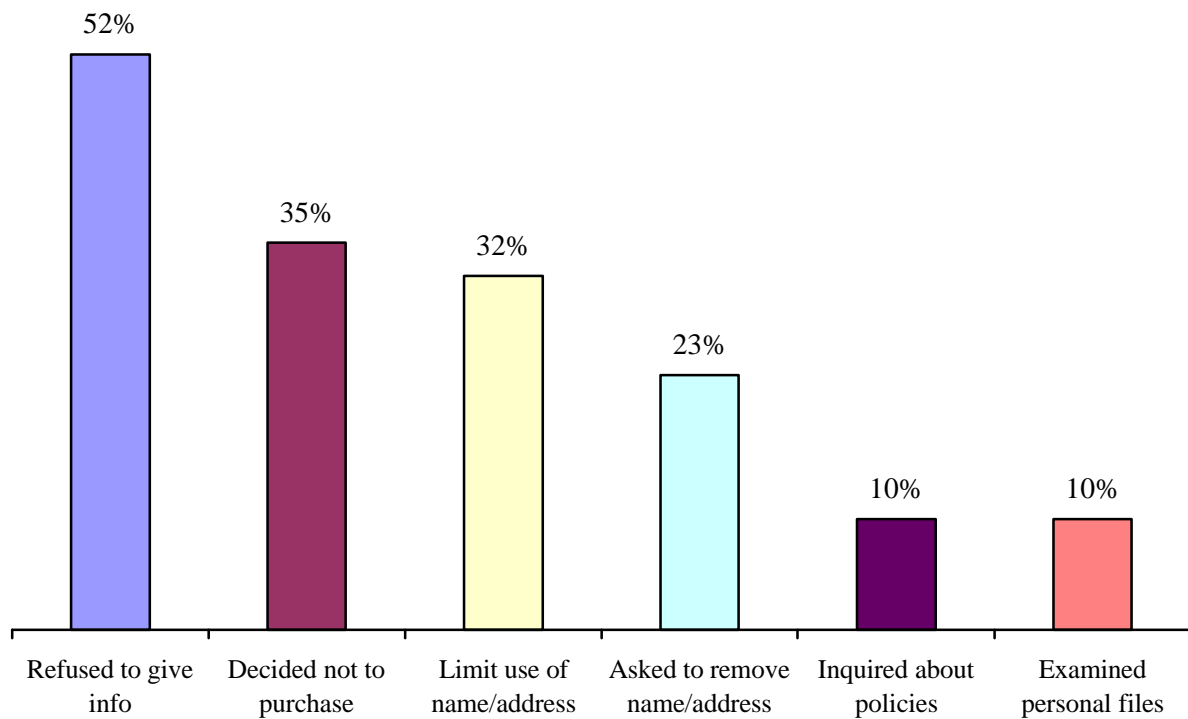
Ref.: B4/T70



Exhibit 4.1

OFFLINE Privacy Protection Behaviors

- Q.420 Which of the following, if any, have you ever done? (READ EACH ITEM)?
- P. Asked a company to remove your name and address from any lists they use for marketing purposes
  - Q. Asked a company not to sell or give your name and address to another company
  - R. Asked a company to see what personal information, besides billing information, they had about you in their customer records
- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information



Base: All respondents (n=1,000)

Table 4.2a

**OFFLINE Privacy Protection Behaviors — II: By Key Demographic Groups**

- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents		Yes, have:		
			Inquired about policies	Refused to give information	Decided not to use/ purchase something
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>10</b>	<b>52</b>	<b>35</b>
<b>Sex</b>					
Male	(467)	%	13	56	38
Female	(533)	%	8	48	31
<b>Age</b>					
18-29 years	(143)	%	13	64	46
30-49 years	(421)	%	12	58	41
50+ years	(385)	%	6	42	25
<b>Education</b>					
Primary	(603)	%	6	45	31
Secondary	(217)	%	16	65	45
Post-Secondary	(141)	%	14	64	38
<b>HH Income (in DM)</b>					
30,000 or less	(256)	%	5	42	31
30,001-54,000	(256)	%	9	52	34
More than 54,000	(130)	%	17	64	37

Ref.: B1/T70

Table 4.2b

OFFLINE Privacy Protection Behaviors — II: By Key Privacy Groups

- Q.435 Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not]?
- Q.445A Have you ever refused to give information to a business or company because you thought it was not really needed or was too personal
- Q.445B Have you ever decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents		Yes, have:		
			Inquired about policies	Refused to give information	Decided not to use/ purchase something
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>10</b>	<b>52</b>	<b>35</b>
<b>Very Concerned About Misuse of Data</b>					
Yes	(347)	%	14	62	42
No	(653)	%	8	47	31
<b>Victim of Privacy Invasion</b>					
Yes	(287)	%	19	72	53
No	(693)	%	6	44	27
<b>Privacy Concern</b>					
High	(342)	%	11	63	39
Medium	(540)	%	9	46	33
Low	(118)	%	12	46	30

Ref.: B4/T70

Table 4.3

## Summary of OFFLINE Privacy Protection Behaviors: By Key Demographic Groups

**Behaviors include:**

1. Asked a company to remove your name and address from any lists they use for marketing purposes
2. Asked a company not to sell or give your name and address to another company
3. Asked a company to see what personal information, besides billing information, they had about you in their customer records
4. Have you ever personally inquired about or looked to see whether a business or service you were thinking of using had any policies on how it would use the consumer information it collected, [or not?]
5. Refused to give information to a business or company because you thought it was not really needed or was too personal
6. Decided not to use or purchase something from a company because you weren't sure how they would use your personal information

	Base: All Respondents		OFFLINE Privacy Protection Behaviors:		
			High (5-6)	Medium (3-4)	Low (2 or less)
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>6</b>	<b>20</b>	<b>74</b>
<b>Sex</b>					
Male	(467)	%	8	24	68
Female	(533)	%	4	17	80
<b>Age</b>					
18-29 years	(143)	%	10	19	71
30-49 years	(421)	%	7	27	66
50+ years	(385)	%	3	15	83
<b>Education</b>					
Primary	(603)	%	4	15	81
Secondary	(217)	%	11	26	63
Post-Secondary	(141)	%	7	32	61
<b>HH Income (in DM)</b>					
30,000 or less	(256)	%	3	10	87
30,001-54,000	(256)	%	6	20	75
More than 54,000	(130)	%	10	31	60

Ref.: B1/T70

## Chapter 5 — Privacy Protection Behaviors — Online

As noted earlier in this report (Chapter 1), just over half (51%) of the German public use a computer at home, work, school or elsewhere, and just under one-in-five 18% report that they access the Internet for e-mail or other purposes. In the previous chapter, we explored in detail the actions some consumers have been willing to take in the offline world of consumer transactions when it comes to protecting the privacy of their personal information. This chapter looks at the privacy protection behavior of consumers in the online world for each of the industry segments that are the focus of this report.

### Industry Comparison

Of the four types of web sites examined in the survey – health, financial, insurance and retail – retail sites are where consumers are most likely to carry out measures to protect their privacy. For example, 45% of the visitors to retail sites say they have checked to see if the site had a privacy notice or policy on how it would use the consumer information it collected. The corresponding numbers of consumers for the other sites that checked for notices are 38% for financial services, 35% for insurance, and 28% for health.

For financial sites, insurance sites, and retail sites, about one-in-three consumers (32%, 30% and 37%, respectively) say they actually have seen a privacy notice or other explanation of how personal information collected by that site would be used. For health sites, only one-in-four consumers (24%) have seen a privacy notice.

In terms of refusal to provide information to a site because it was not necessary or needed, again retail sites lead the pack with more than two-thirds (69%) of consumers, followed by 64% of consumers visiting insurance sites, and 47% of both visitors to financial services and visitors to health sites.

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A little more than half of consumers to both retail sites (56%) and insurance sites (52%) say they have decided not to use or purchase something because they were not sure how the company would use their personal information. Just under half of consumers to both financial services sites (48%) and health sites (44%) say they have declined to purchase something for the same reason (Table 5.1).

Using an analogous procedure to that of categorizing offline privacy behaviors, consumers can be classified as “High,” “Medium” or “Low” depending on how many of the three active protection measures they have undertaken. If they have checked to see whether the site had a privacy information notice or policy on how it would use information, refused to give information that they regarded as too personal, and decided not to use or purchase something because they were concerned about how their personal information would be used, they were classified as having a “High” level of online protection behavior. If they have carried out at least two of these measures, they were classified as “Medium,” and are considered “Low” if they have done one or none.

About one-third (35%) of online consumers fall into the “High” category, one quarter (27%) belong to the “Medium” category. The remaining third (38%) fall into the “Low” category. These categories will be used later in this report to analyze the answers to certain attitudinal questions (Table 5.2 and Exhibit 5.1).

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Table 5.1

ONLINE Privacy Protection Behaviors at HEALTH Web sites

- Q.550 When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM)?
- A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
  - B. SEEN A PRIVACY NOTICE or other explanation of how personal information collected by that site would be used?
  - C. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?
  - D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

	<b>Health Sites</b>	<b>Financial Sites</b>	<b>Insurance Sites</b>	<b>Retail Sites</b>
<b>Base: Have Visited Sites</b>	(52)	(91)	(30)	(100)
Checked for Privacy Notice	%	%	%	%
Checked for Privacy Notice	28	38	35	45
Seen a Privacy Notice	24	32	30	37
Refused to give information	47	47	64	69
Decided not to use/purchase	44	48	52	56

Ref: B1/T83,88,93,98

Table 5.2

Summary of ONLINE Privacy Protection Behaviors

- Q.550. When you've visited web sites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM), [or not]?
  - Q.560. When you've visited web sites on *financial services, such as banks, credit cards, and investments*, have you EVER (READ EACH ITEM), [or not]?:
  - Q.570. When you've visited web sites *offering any kind of insurance -- such as life, health, accident, auto, or residential* have you EVER (READ EACH ITEM), [or not]?
  - Q.580. When you've visited web sites from *retail stores or catalogs offering consumer products of any kind*, have you EVER (READ EACH ITEM), [or not]?:
- B. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
  - E. REFUSED TO GIVE INFORMATION to this type of web site because you thought it was not really needed or was too personal?
  - F. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of web site because you weren't sure how they would use your personal information?

	Base: Have Visited Web sites	%	Privacy Protection Behaviors:		
			High (3)	Medium (2)	Low (1,0)
<b>Total</b>	<b>(133)</b>		<b>35</b>	<b>27</b>	<b>38</b>

Ref.: B1/T99



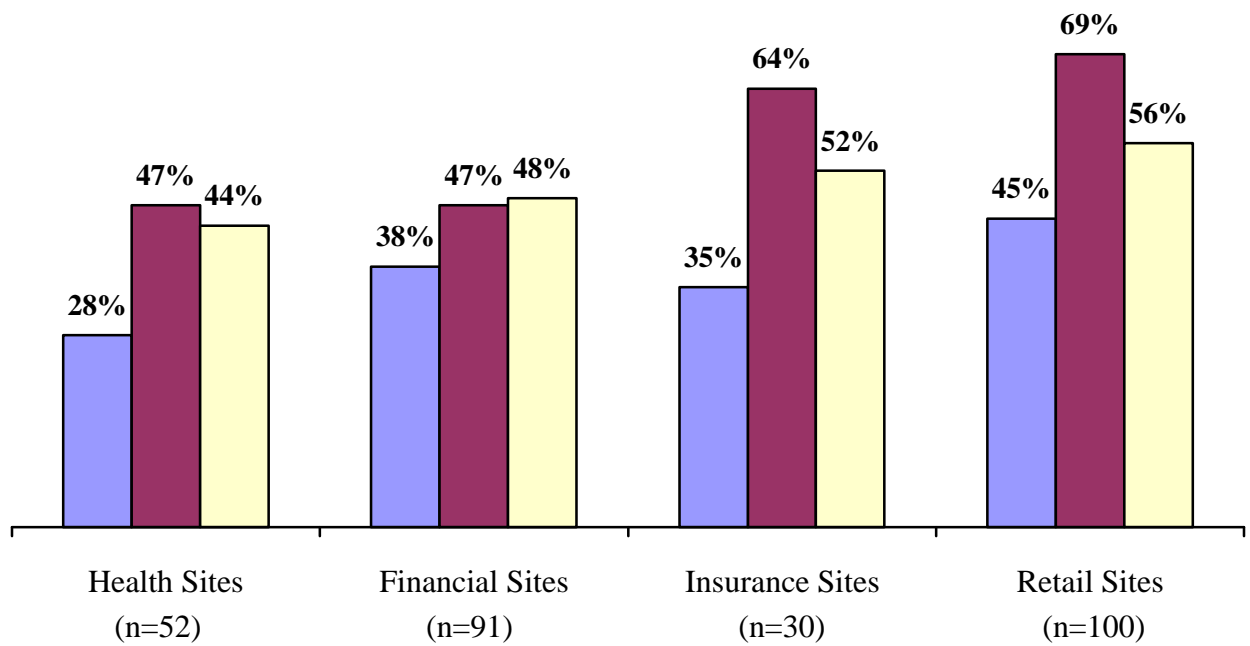
Exhibit 5.1

ONLINE Privacy Protection Behaviors

Q.550 When you've visited websites on *health problems, healthcare, drugs or pharmaceutical problems*, have you EVER (READ EACH ITEM)?

- A. CHECKED TO SEE if one of these sites had a privacy notice or policy on how it would use the consumer information it collected?
- C. REFUSED TO GIVE INFORMATION to this type of website because you thought it was not really needed or was too personal?
- D. DECIDED NOT TO USE OR PURCHASE SOMETHING from this type of website because you weren't sure how they would use your personal information?

■ Checked for privacy notice     
 ■ Refused to give info     
 ■ Decided not to purchase



Base: Varies

## Chapter 6: Privacy Policies

This chapter explores how consumers view the efforts thus far of German businesses in the four specific industries and eight sectors to adopt privacy protection policies. The discussion focuses first on the privacy protection policies in the offline world, and then examines policies for the online world.

### Privacy Policies – Offline

An overwhelming majority of German consumers across all four industries being considered in this study and within all eight sectors of those industries say that it is very or somewhat important to them – with most saying “very” -- that these companies adopt strong privacy protection policies. Consumers place the greatest importance on policies for banks, for which 85% say it is very important for this industry, followed closely by healthcare providers, for which 84% say it is very important. Seventy-eight percent of consumers think privacy policies are very important in the pharmaceutical companies, and a nearly equal number (77%) think this is the case in each of the two types of insurance companies (life and property). Just under two-thirds of consumers say such policies are very important in the catalog companies (63%), large department stores (also 63%) and Internet companies (61%) (Exhibit 6.1 and Table 6.1).

Interestingly, German consumers place more importance on privacy protection policies for precisely those industries for which they already have a relatively high degree of confidence that their personal information is being handled appropriately. For example, as discussed in Chapter 2, healthcare providers and banks garner the highest confidence ratings among consumers, while Internet companies receive the lowest confidence ratings. When consumers are asked how important privacy policies are, their relatively strong emphasis on such policies for healthcare companies and banks may be an affirmation of consumer confidence. In the Internet sector, the relatively less emphasis may partly owe to consumers’ lack of experience with these types of companies, and partly owe to their lack of confidence in the industry sector.

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### *Healthcare Industry*

Within the healthcare industry and the two sectors of healthcare providers and pharmaceutical companies, it is notable that the proportion of consumers who say privacy protection policies are very important are quite high (84% and 78%, respectively). For healthcare providers, the proportion saying such policies are very important declines as age increases a trend perhaps related to the fact that older consumers are may tend to be frequent users of healthcare providers. When considered across the key privacy groups defined earlier in this report, there is a slight tendency for consumers who have been victims of a privacy invasion to place more importance on privacy policies than those who have not (Table 6.2a and 6.2b).

### *Financial Services Industry*

Consumers of banks place a great deal of emphasis on strong privacy protection policies, with 85% saying it is very important. This importance is fairly consistent across all the demographic groups, except in the case of household income, where there is a steeper rise in the proportion of consumers who say such policies are very important as income increases. Consumers who have been victims of a privacy invasion are slightly more likely than those who have not to agree that such policies are very important (90% vs. 85%) (Tables 6.3a and 6.3b).

### *Insurance Industry*

Privacy protection policies are very important in equal measure to consumers in both the life and property segments of the insurance industry, with 77% of consumers in each industry segment saying privacy policies are very important. One notable difference is across household income groups. Consumers in households with household incomes of less than 30,000 DM are less likely than are higher income groups to say privacy policies for life insurance companies are very important. Among the key privacy groups, again there is little variation when considering the responses between the two types of insurance (Tables 6.4a and 6.4b).

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### *Retail Industry*

When it comes to the retail industry, Germans do not greatly distinguish across the three industry sectors. A total of 63% say that when dealing with department stores privacy policies are very or somewhat important. This response also numbers 63% for companies that do business by catalog, and dips slightly to 61% for Internet companies. As with the other sectors discussed, use or experience with an industry may influence overall importance levels. For example, Internet companies garner a low degree of confidence in their handling of personal information among consumers (see Table 2.1 in which only 10% say they are very or somewhat confident that their personal information is handled confidentially).

While it might, therefore, be expected that consumers would want to have privacy protection policies to address their concerns with the Internet industry, the relatively low figure of 61% (when compared to the other industries and industry segments) may reflect lack of personal experience with the Internet among many consumers. On the other hand, 61% is a fairly substantial figure considering that only 18% of the population actually use the Internet, and only about half of those (58%) visit retail sites.

Looking across demographic groups, the importance of privacy policies for all three types of retail companies tends to increase with household income. On the other demographic characteristics, no sharp differences are apparent, with the noteworthy exception that, for Internet companies, privacy policies are more important for consumers below the age of 50 than for those 50 and older. Among key privacy groups, again no strong trends are evident except for Internet companies. Here, those consumers who have been victims of a privacy invasion are more likely to attach importance to privacy protection policies (Table 6.5a and 6.5b).

### **Privacy Policies – Online**

Among German consumers who access the Internet, only about one-quarter (24%) report that they have seen a privacy notice or other explanation of how personal information collected will be used when visiting a web site. Of those who have seen a privacy notice, 38% say they always

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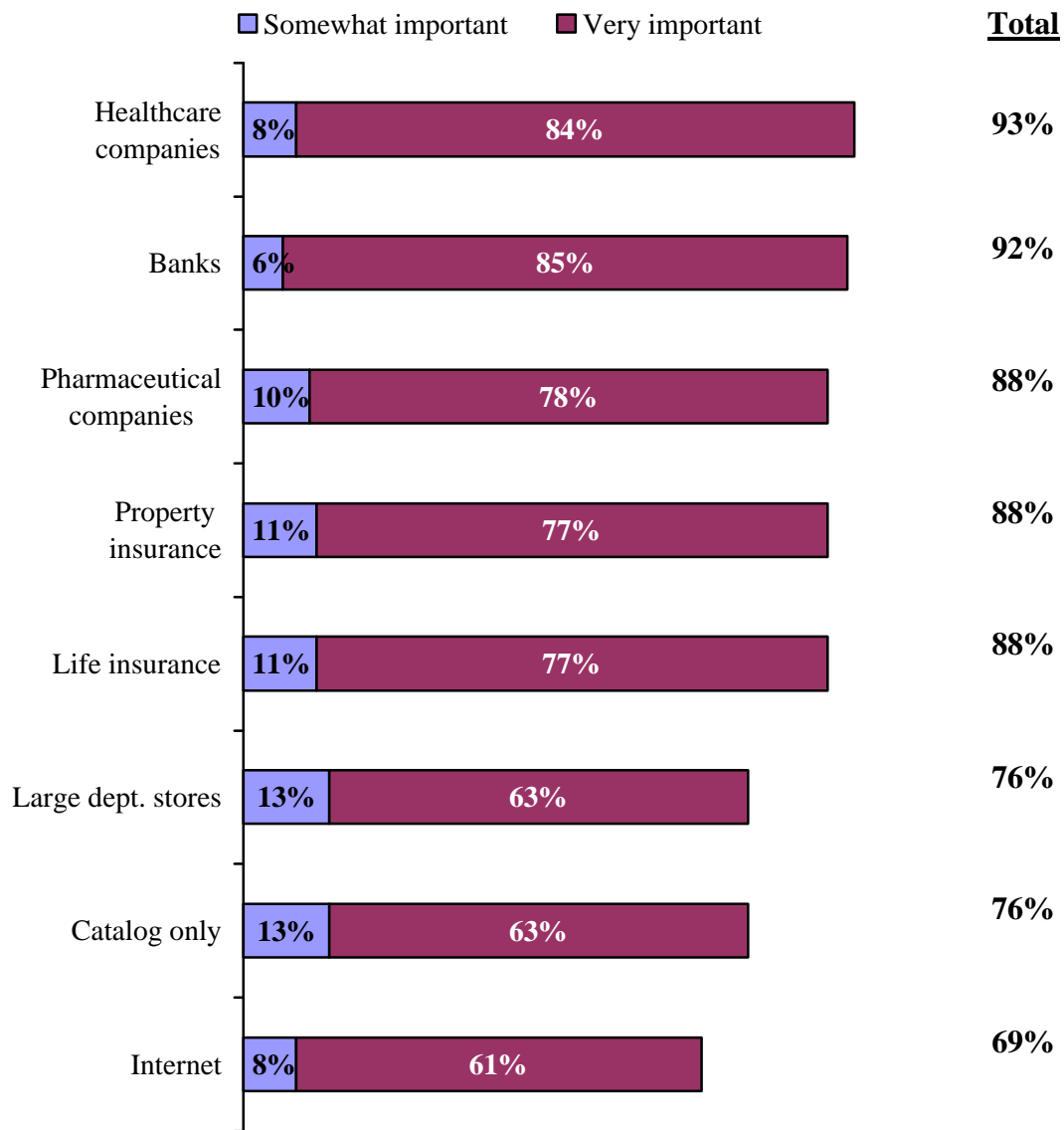
read a notice, 54% say they sometimes read it, and 8% say they never read it (Exhibit 6.2 and Table 6.6).

When asked to what extent it is important that a web site display a privacy notice and explain how personal information is used before the consumer provides personal information or makes a purchase, a substantial majority of 73% of consumers say such advance notification is absolutely essential or very important, with most of these (44%) saying it is very important (Table 6.7).

Exhibit 6.1

Importance of Privacy Protection Policies in Various Industries

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?



Base: All respondents (n=1,000)

Table 6.1

Importance of Privacy Protection Policies in Various Industries

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Healthcare providers</b> such as hospitals and other healthcare facilities	(1000)	%	84	93	5	2
Companies that sell <b>prescription and over-the-counter drug products</b>	(1000)	%	78	88	9	3
<b>Banks</b> that provide checking and savings accounts and credit cards	(1000)	%	85	92	6	2
<b>Life insurance</b> companies	(1000)	%	77	88	8	3
<b>Property insurance</b> companies, such as companies that sell accident, auto, and residential insurance	(1000)	%	77	88	8	3
Companies that sell their products and services by <b>catalog</b> only	(1000)	%	63	76	17	5
<b>Large department stores</b> such as [local examples]	(1000)	%	63	76	18	5
Companies that sell their products and services over the <b>Internet</b>	(1000)	%	61	69	11	5

Ref.: B1/T30-33

Table 6.2a

**Importance of Privacy Protection Policies in Healthcare Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- A. Healthcare providers such as hospitals and other healthcare facilities  
 B. Companies that sell prescription and over-the-counter drug products

	Base: All Respondents	%	Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>84</b>	<b>93</b>	<b>78</b>	<b>88</b>
<b>Sex</b>						
Male	(467)	%	84	92	76	87
Female	(533)	%	85	93	80	90
<b>Age</b>						
18-29 years	(143)	%	90	96	79	89
30-49 years	(421)	%	86	94	81	90
50+ years	(385)	%	82	91	76	88
<b>Education</b>						
Primary	(603)	%	82	92	76	87
Secondary	(217)	%	92	95	83	91
Post-Secondary	(141)	%	81	91	79	88
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	81	93	73	88
30,001-54,000	(256)	%	88	94	81	90
More than 54,000	(130)	%	86	95	78	89

Ref.: B1/T20,21



Table 6.2b

**Importance of Privacy Protection Policies in Healthcare Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- A. Healthcare providers such as hospitals and other healthcare facilities
  - B. Companies that sell prescription and over-the-counter drug products

	Base: All Respondents		Healthcare Providers		Pharmaceutical Companies	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>84</b>	<b>93</b>	<b>78</b>	<b>88</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(347)	%	86	93	82	91
No	(653)	%	83	92	76	87
<b>Victim of Privacy Invasion</b>						
Yes	(287)	%	89	94	83	91
No	(693)	%	84	93	77	88
<b>Privacy Concern</b>						
High	(342)	%	86	92	80	87
Medium	(540)	%	82	92	77	89
Low	(118)	%	88	97	80	91

Ref.: B4/T20,21

Table 6.3a

**Importance of Privacy Protection Policies in Financial Services Industry:  
By Key Demographic Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- C. Banks that provide checking and savings accounts and credit cards

	<b>Base: All Respondents</b>		<b>Banks</b>	
			<b>Very</b>	<b>Very/ Somewhat</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>85</b>	<b>92</b>
<b>Sex</b>				
Male	(467)	%	85	91
Female	(533)	%	86	92
<b>Age</b>				
18-29 years	(143)	%	88	93
30-49 years	(421)	%	89	95
50+ years	(385)	%	82	90
<b>Education</b>				
Primary	(603)	%	83	90
Secondary	(217)	%	92	95
Post-Secondary	(141)	%	87	93
<b>HH Income (in DM)</b>				
30,000 or less	(256)	%	81	91
30,001-54,000	(256)	%	88	93
More than 54,000	(130)	%	92	96

**Ref.:** B1/T22

Table 6.3b

**Importance of Privacy Protection Policies in Financial Services Industry:  
By Key Privacy Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

C. Banks that provide checking and savings accounts and credit cards

	Base: All Respondents		Banks	
			Very	Very/ Somewhat
<b>Total</b>	(1000)	%	85	92
<b>Very Concerned About Misuse of Data</b>				
Yes	(347)	%	86	92
No	(653)	%	85	91
<b>Victim of Privacy Invasion</b>				
Yes	(287)	%	90	93
No	(693)	%	85	92
<b>Privacy Concern</b>				
High	(342)	%	86	91
Medium	(540)	%	84	91
Low	(118)	%	89	96

Ref.: B4/T22

Table 6.4a

**Importance of Privacy Protection Policies in Insurance Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- F. Life insurance companies
- G. Property insurance companies, such as companies that sell accident, auto, and residential insurance

	Base: All Respondents		Insurance Companies			
			Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>77</b>	<b>88</b>	<b>77</b>	<b>88</b>
<b>Sex</b>						
Male	(467)	%	78	87	76	87
Female	(533)	%	77	89	77	89
<b>Age</b>						
18-29 years	(143)	%	79	90	78	90
30-49 years	(421)	%	82	91	80	91
50+ years	(385)	%	74	87	75	86
<b>Education</b>						
Primary	(603)	%	75	87	74	87
Secondary	(217)	%	82	90	84	90
Post-Secondary	(141)	%	83	90	75	87
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	69	86	73	87
30,001-54,000	(256)	%	81	89	81	89
More than 54,000	(130)	%	83	93	76	92

Ref.: B1/T25,26

Table 6.4b

**Importance of Privacy Protection Policies in Insurance Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- F. Life insurance companies
  - G. Property insurance companies, such as companies that sell accident, auto, and residential insurance

	Base: All Respondents		Insurance Companies			
			Life		Property	
			Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	(1000)	%	77	88	77	88
<b>Very Concerned About Misuse of Data</b>						
Yes	(347)	%	78	88	78	87
No	(653)	%	77	88	76	88
<b>Victim of Privacy Invasion</b>						
Yes	(287)	%	81	90	79	88
No	(693)	%	77	88	77	89
<b>Privacy Concern</b>						
High	(342)	%	78	88	77	87
Medium	(540)	%	77	87	76	87
Low	(118)	%	79	93	80	91

Ref.: B4/T25,26

Table 6.5a

**Importance of Privacy Protection Policies in the Retail Industry: By Key Demographic Groups**

Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?

- H. Companies that sell their products and services by catalog only
- I. Large department stores such as [local examples]
- J. Companies that sell their products and services over the Internet

**Retail Establishments**

	Base: All Respondents	%	Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>		<b>63</b>	<b>76</b>	<b>63</b>	<b>76</b>	<b>61</b>	<b>69</b>
<b>Sex</b>								
Male	(467)	%	63	76	63	75	63	72
Female	(533)	%	63	76	63	76	58	65
<b>Age</b>								
18-29 years	(143)	%	60	75	58	72	65	75
30-49 years	(421)	%	67	80	66	79	68	75
50+ years	(385)	%	63	74	63	75	52	60
<b>Education</b>								
Primary	(603)	%	61	74	62	74	55	64
Secondary	(217)	%	70	79	66	78	71	77
Post-Secondary	(141)	%	62	77	65	77	68	77
<b>HH Income (in DM)</b>								
30,000 or less	(256)	%	56	73	54	71	50	61
30,001-54,000	(256)	%	65	77	63	75	63	70
More than 54,000	(130)	%	68	83	71	81	70	76

Ref.: B1/T27-29

Table 6.5b

**Importance of Privacy Protection Policies in the Retail Industry: By Key Privacy Groups**

- Q.160 How IMPORTANT is it to you when you deal with [INSERT ITEM] that those companies or organizations adopt and follow strong privacy protection policies [is it very important, somewhat important, not very important, not at all important]?
- H. Companies that sell their products and services by catalog only
  - I. Large department stores such as [local examples]
  - J. Companies that sell their products and services over the Internet

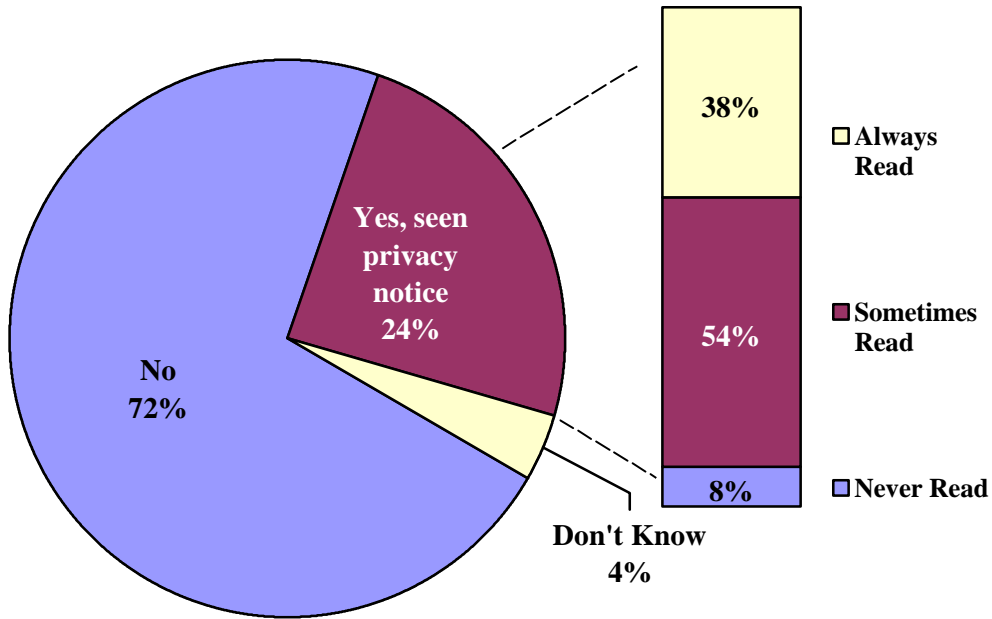
	Base: All Respondents		Retail Establishments					
			Catalog Sales		Department Stores		Internet Sales	
			Very	Very/ Somewhat	Very	Very/ Somewhat	Very	Very/ Somewhat
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>63</b>	<b>76</b>	<b>63</b>	<b>76</b>	<b>61</b>	<b>69</b>
<b>Very Concerned About Misuse of Data</b>								
Yes	(347)	%	65	76	65	77	63	71
No	(653)	%	63	76	62	75	59	67
<b>Victim of Privacy Invasion</b>								
Yes	(287)	%	69	80	68	78	72	78
No	(693)	%	62	75	62	76	57	66
<b>Privacy Concern</b>								
High	(342)	%	66	77	65	76	63	71
Medium	(540)	%	61	74	62	75	59	66
Low	(118)	%	66	83	61	79	61	72

Ref.: B4/T27-29

Exhibit 6.2

Incidence of Having Seen and Having Read Website Privacy Notices:

- Q.505 When you visit business Web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?
- Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?



Base: Access the Internet (n=174)

Base: Seen Privacy Notice (n=41)



Table 6.6

**Incidence of Having Seen and Having Read Web site Privacy Notices**

- Q.505 When you visit business web sites, have you ever seen a privacy notice or other explanation of how personal information collected by that site will be used?
- Q.507 How often do you read the information contained in the privacy notice – [always, sometimes, or never]?

	<b>Base: Access the Internet</b>
<b>Total</b>	<b>(174)</b>
	%
Yes, Seen Privacy Notice	<b>24</b>
	<b>Base: Seen Privacy Notice</b>
<b>Total</b>	<b>(41)</b>
	%
Always Read	38
Sometimes Read	54
Never Read	8

**Ref:** B1/T71,72

Table 6.7

**Importance of Displaying Privacy Notices on Web sites**

Q.510 When you visit business web sites, how important is it that the site you are visiting displays a Privacy Notice and explains how your personal information will be used BEFORE you provide your personal information or make a purchase — [is it absolutely essential, very important, somewhat important, not very important or not at all important]?

	<b>Base: Access the Internet</b>
<b>Total</b>	<b>(174)</b>
	%
<u>Absolutely/ Very</u>	<u>73</u>
Absolutely	29
Very	44
<u>Somewhat</u>	<u>10</u>
<u>Not Very/Not at All</u>	<u>10</u>
Not Very	5
Not at All	5

**Ref.:** B1/T73

## Chapter 7: Cross-Country Comparisons of Perceptions of Privacy Protection

This chapter examines the perceptions of Germans when it comes to privacy protections at home and abroad.

### Government and Privacy Protection in Germany

When asked how comfortable they are with the way the government is handling the protection of consumer privacy in Germany, a slim majority of the German public (56%) say they are very or somewhat comfortable, although only 8% of these fall into the very category. Higher educated consumers are less comfortable than less educated consumers, but higher income consumers are more comfortable than are lower income consumers (Table 7.1a).

Among key privacy groups, both consumers who are very concerned about the misuse of data in general and those who have been victims of a privacy invasion are less likely to be very or somewhat comfortable with the way the government is handling the protection of consumer privacy compared to those consumers who have not. For those consumers who are classified as having a high degree of privacy concern, only 39% are very or somewhat comfortable versus almost two-thirds (62%) of the medium concerned and more than three-quarters (79%) of those with a low degree of concern. This pattern of responses is similar for consumers with high (35%), medium (50%) and low (60%) degrees of offline privacy protection behaviors, with comfort levels rising as protection behaviors decrease.

Most Germans (73%) believe countries other than Germany have the greatest number of choices when it comes to new products and services. Just under half (49%) put the United States in the lead, and just under a quarter (21%) choose Japan as the country with the most consumer choice. Only 9% of Germans think their own country has the greatest choice, followed by Canada (2%) and Great Britain (1%). Almost one in five (17%) are unsure of who has the greatest number of choices (Exhibit 7.1).

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However, when it comes to the most effective protection of consumer privacy today, more Germans rally around the country's flag than any other. Still, it is a plurality of 34%, and not a majority of German citizens. Some 15% of German consumers believe the most effective protections exist in the United States, while 9% say this is the case in Canada, 8% say Japan and 7% say Great Britain. One in four (26%) Germans are unclear on who would have the most effective protection of consumer privacy (Exhibit 7.2).

When German consumers are asked to choose which of the five countries has the most effective protection of consumer privacy on the Internet today, a quarter (25%) respond with Germany, while 13% say it is the U.S., 8% name Japan, 5% believe it is Great Britain, and only 3% think this is the case in Canada. The most common answer was however with 45% not knowing which of the five countries has the most effective protection of consumer privacy on the Internet today (Exhibits 7.3).

On this issue of effective protection of consumer privacy on the Internet, key online groups put Germany in the lead, but by and large, not to any greater extent than do other respondents, with the exception of computer users (Table 7.2).

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Table 7.1a

**Comfort Level with the Way Government is Handling Protection of Consumer Privacy:  
By Key Demographic Groups**

Q.705 In general, how comfortable are you with the way the government is handling the protection of consumer privacy in *GERMANY* [- are you very comfortable, somewhat comfortable, not very comfortable, not at all comfortable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>8</b>	<b>56</b>	<b>35</b>	<b>8</b>
<b>Sex</b>						
Male	(467)	%	8	58	35	10
Female	(533)	%	8	55	35	6
<b>Age</b>						
18-29 years	(143)	%	8	61	34	8
30-49 years	(421)	%	6	56	40	7
50+ years	(385)	%	9	57	30	7
<b>Education</b>						
Primary	(603)	%	9	60	31	7
Secondary	(217)	%	9	55	40	10
Post-Secondary	(141)	%	3	49	45	8
<b>HH Income (in DM)</b>						
30,000 or less	(256)	%	9	56	32	7
30,001-54,000	(256)	%	6	62	34	8
More than 54,000	(130)	%	9	64	32	2

Ref.: B1/T100

Table 7.1b

**Comfort Level with the Way Government is Handling Protection of Consumer Privacy:  
By Key Privacy Groups**

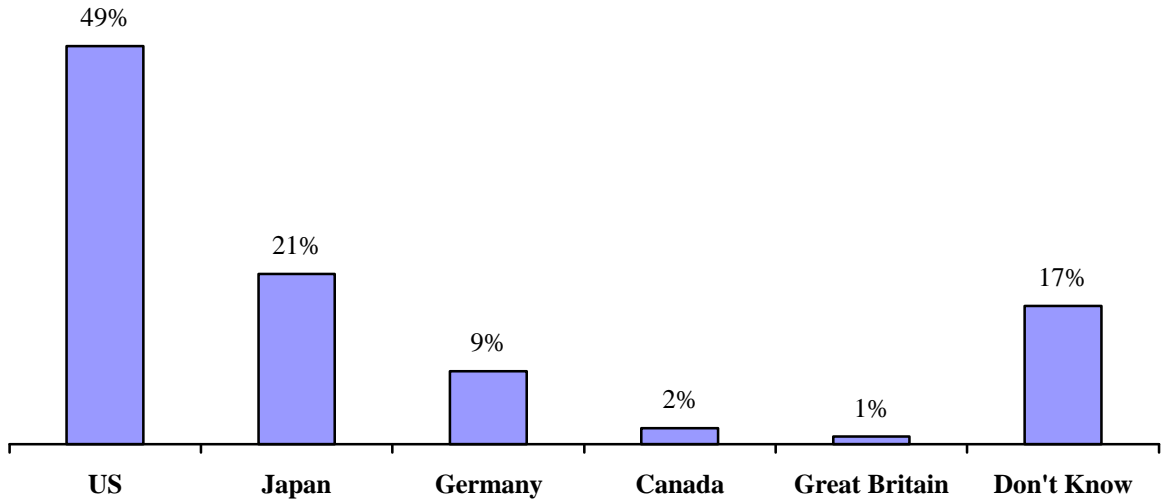
Q.705 In general, how comfortable are you with the way the government is handling the protection of consumer privacy in *GERMANY* [– are you very comfortable, somewhat comfortable, not very comfortable, not at all comfortable]?

	<b>Base: All Respondents</b>		<b>Very</b>	<b>Very/ Somewhat</b>	<b>Not very/ not at all</b>	<b>Not at all</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>8</b>	<b>56</b>	<b>35</b>	<b>8</b>
<b>Very Concerned About Misuse of Data</b>						
Yes	(347)	%	5	40	54	18
No	(653)	%	10	65	25	3
<b>Victim of Privacy Invasion</b>						
Yes	(287)	%	5	39	57	19
No	(693)	%	9	63	27	4
<b>Privacy Concern</b>						
High	(342)	%	2	39	56	17
Medium	(540)	%	10	62	26	4
Low	(118)	%	16	79	17	1
<b>OFFLINE Privacy Protection Behaviors</b>						
High	(59)	%	7	35	65	20
Medium	(206)	%	5	50	47	9
Low	(735)	%	9	60	29	7

Ref.: B4/T100

Exhibit 7.1

Country Perceived to Offer the Greatest Number of Choices of Products and Services



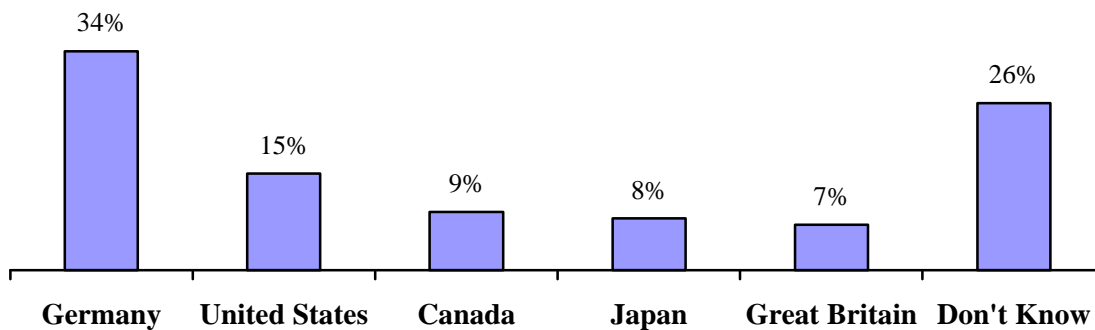
Base: All Respondents (n=1,000)

Q.710 In which ONE of the following FIVE countries do you think consumers have the greatest number of choices when it comes to new products and services?

Ref.: B1/T101

Exhibit 7.2

Country Perceived to Have the Most Effective Protection of Consumer Privacy Today



Base: All Respondents (n=1,000)

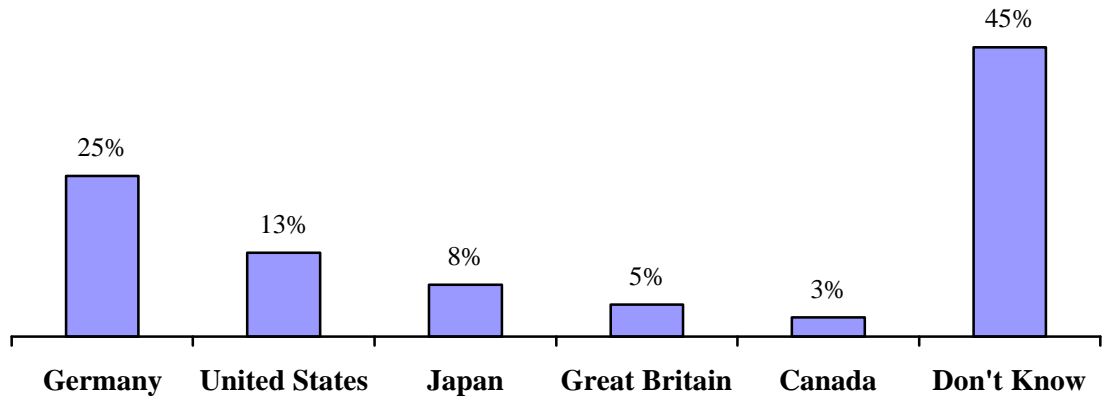
Q.715 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy today?

Ref.: B1/T102



Exhibit 7.3

Country Perceived to Have the Most Effective Protection of Consumer Privacy on the INTERNET Today



Base: All Respondents (n=1,000)

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

Ref.: B1/T103

Table 7.2

**Country Perceived to Have the Most Effective Protection of  
Consumer Privacy on the INTERNET Today:  
By Computer Users and Key Privacy Groups**

Q.720 Without knowing all of the details, which ONE of the following FIVE countries do you think would probably have the most EFFECTIVE protection of consumer privacy on the INTERNET today?

	<b>Base: All Respondents</b>		<b>Germany</b>	<b>United States</b>	<b>Japan</b>	<b>Great Britain</b>	<b>Canada</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>25</b>	<b>13</b>	<b>8</b>	<b>5</b>	<b>3</b>
<b>Computer User</b>							
Yes	(509)	%	29	17	9	4	4
No	(488)	%	20	10	7	6	2
<b>Very Concerned About Misuse of Data</b>							
Yes	(347)	%	25	14	8	7	4
No	(653)	%	25	13	9	4	3
<b>Victim of Privacy Invasion</b>							
Yes	(287)	%	27	14	9	5	5
No	(693)	%	23	13	8	5	3
<b>Privacy Concern</b>							
High	(342)	%	20	12	10	6	7
Medium	(540)	%	28	12	6	4	2
Low	(118)	%	24	20	14	6	1

Ref.: B3,4/T103

## Chapter 8: Privacy Laws and Regulations in Germany

This chapter explores the awareness of German citizens of the legal and regulatory framework governing privacy in Germany.

### Awareness of Data Protection Laws

Only about one-third (32%) of the German public say they are aware of any government agency – national, regional, or local -- that enforces privacy and data protection laws for business and consumer activities in Germany today. The level of awareness is higher among males than females (40% vs. 24%), but does not vary much by age. However, awareness levels more than double from 22% among the least educated German citizens to 57% for those with a post-secondary education, and also among those consumers with household incomes of 30,000 DM or less to 49% of those with household incomes of more than 54,000 DM (Table 8.1a).

Not surprisingly, among those consumers who have been a victim of a privacy invasion, just under half (48%) say they are aware of government enforcement versus one-quarter (25%) of those consumers who have not been victims. However, among those who are very concerned about the misuse of data in general, only slightly more are aware of government legislation than those who are not concerned (36% vs. 29%) (Table 8.1b).

### Awareness of Internet Privacy Regulations

When asked about privacy protections on the Internet – an extremely low percentage -- only 14% of Germans say they are aware of any government regulations to protect privacy. Awareness levels are higher among males than females (19% vs. 10%) and are twice as high among younger consumers (21% of 18-29 year olds) than older consumers (11% of those 50 years and older). Also, awareness levels increase from 9% of both consumers with a primary education and those with a household income of 30,000 DM or less, to 24% of post-secondary graduates and 26% of those with household incomes of more than 54,000 DM. The fact that awareness levels of

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Internet regulations are higher among younger, more educated and more affluent consumers is hardly surprising given that these are precisely the groups that are more likely to use a computer and access the Internet (see Table 1.5 in Chapter 1) (Table 8.2a).

Computer users and consumers who have been victims of a privacy invasion are among the key privacy groups most likely to be aware of government regulations to protect privacy on the Internet, although this still is only one-in-five (20%) (Table 8.2b).

Table 8.1a

**Awareness of Government Agencies that Enforce Privacy and Data Protection Laws:  
By Key Demographic Groups**

Q.605 Are you aware of any government agency – national, regional, or local -- that enforces privacy and data protection laws for BUSINESS AND CONSUMER ACTIVITIES in *GERMANY* today?

	<b>Base: All Respondents</b>	%	<b>Yes, aware</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>32</b>
<b>Sex</b>			
Male	(467)	%	40
Female	(533)	%	24
<b>Age</b>			
18-29 years	(143)	%	28
30-49 years	(421)	%	34
50+ years	(385)	%	30
<b>Education</b>			
Primary	(603)	%	22
Secondary	(217)	%	43
Post-Secondary	(141)	%	57
<b>HH Income (in DM)</b>			
30,000 or less	(256)	%	20
30,001-54,000	(256)	%	36
More than 54,000	(130)	%	49

**Ref.:** B1/T99a

Table 8.1b

**Awareness of Government Agencies that Enforce Privacy and Data Protection Laws:  
By Key Privacy Groups**

Q.605 Are you aware of any government agency – national, regional, or local -- that enforces privacy and data protection laws for BUSINESS AND CONSUMER ACTIVITIES in *GERMANY* today?

	<b>Base: All Respondents</b>		<b>Yes, aware</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>32</b>
<b>Very Concerned About Misuse of Data</b>			
Yes	(347)	%	36
No	(653)	%	29
<b>Victim of Privacy Invasion</b>			
Yes	(287)	%	48
No	(693)	%	25
<b>Privacy Concern</b>			
High	(342)	%	37
Medium	(540)	%	28
Low	(118)	%	31

**Ref.:** B4/T99a

Table 8.2a

**Awareness of Government Regulations to Protect Privacy on the Internet:  
By Key Demographic Groups**

Q.610 Are you aware of any government regulations to protect privacy on the Internet in *Germany* today?

	<b>Base: All Respondents</b>		<b>Yes, aware</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>14</b>
<b>Sex</b>			
Male	(467)	%	19
Female	(533)	%	10
<b>Age</b>			
18-29 years	(143)	%	21
30-49 years	(421)	%	14
50+ years	(385)	%	11
<b>Education</b>			
Primary	(603)	%	9
Secondary	(217)	%	21
Post-Secondary	(141)	%	24
<b>HH Income (in DM)</b>			
30,000 or less	(256)	%	9
30,001-54,000	(256)	%	14
More than 54,000	(130)	%	26

**Ref.:** B1/T99b

Table 8.2b

**Awareness of Government Regulations to Protect Privacy on the Internet:  
By Computer Users and Key Privacy Groups**

Q.610 Are you aware of any government regulations to protect privacy on the Internet in *Germany* today?

	<b>Base: All Respondents</b>		<b>Yes, aware</b>
<b>Total</b>	<b>(1000)</b>	<b>%</b>	<b>14</b>
<b>Computer User</b>			
Yes	(509)	%	20
No	(488)	%	8
<b>Very Concerned About Misuse of Data</b>			
Yes	(347)	%	17
No	(653)	%	12
<b>Victim of Privacy Invasion</b>			
Yes	(287)	%	20
No	(693)	%	12
<b>Privacy Concern</b>			
High	(342)	%	13
Medium	(540)	%	14
Low	(118)	%	19

Ref.: B3/T99b



## **Appendix A - Methodology and Weighting**

### **Methodology**

All interviews were conducted with national cross sections of adults 18 + years of age during the period April 19 to May 31. Responses from 1,006 adults in the U.S., 1,002 in the U.K., and 1,000 in Germany were tabulated to arrive at the comparisons and conclusions presented in this report. All interviews were conducted by telephone and averaged 20 minutes in length.

In addition, an online survey of 2,000 adults was conducted in the U.S. only. Respondents were drawn from our nationwide panel numbering almost 5 million people.

### **Sample Design**

The Louis Harris and Associates National Telephone Sample is based on a methodology that is designed to produce representative samples of persons in telephone households in the 48 contiguous United States (i.e. the 48 states and the District of Columbia). Harris samples make use of random-digit selection procedures to assure sample representation of persons in households with telephone numbers “listed” in telephone directories, as well as persons in households with telephone numbers that are “unlisted.”

The Harris National Telephone Sample is also explicitly designed to assure proper representation of households in central city, suburban, and rural areas within each of the 48 contiguous states.

Similar methodologies were used in the United Kingdom and Germany to ensure that the samples are representative of their respective populations .

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### **Telephone Interviewing Procedures**

As with most Harris projects, the present study utilized Harris' computer-assisted telephone interviewing (CATI) system. This system greatly enhances recording reliability. It reduced clerical error by eliminating the need for key punching, since interviewers enter respondents' answers directly into a computer terminal during the interview itself. This data entry program does not permit interviewers to inadvertently skip questions – each has to be answered before the computer presents the next question. The data entry program also ensures that the correct skip patterns are followed. The on-line data editing system refuses to accept punches that are out-of-range, it demands confirmation of responses that exceed expected ranges, and asks for explanations for inconsistencies between certain key responses.

### **Weighting and Sample Profile**

Using current Population Surveys for each of the three countries; United States, United Kingdom and Germany, the final interviews in this survey were weighted according to age, sex, education and race/ethnicity (USA only) for the total population of adults 18 years or older.

### **A Note on Reading the Tables in This Report**

The base for each question is the total number of respondents answering that question. All base sizes shown in the report are unweighted; percentages are weighted. An asterisk (\*) on a table signifies a value of less than one-half percent (0.5%). A dash (-) represents a value of zero. Percentages may not always add to 100 because of computer rounding or the acceptance of multiple answers from respondents. Note that, in some cases, results may be based on small sample sizes (N<50). This is typically true when sub-group comparisons are made. Caution should be used when drawing any conclusions from the results based on these small samples. Finally, reference numbers located in the bottom left corner of the tables and figures in this report refer to specific tables in the full set of cross tabulations.

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**Appendix B – Contact Information**

FOR MORE INFORMATION ABOUT THIS SURVEY, PLEASE CONTACT:

IBM Corporation  
Route 100  
Somers, NY 10589 U.S.A.  
1-800-426-4968  
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Louis Harris & Associates, Inc.  
*(now Harris Interactive)*  
111 Fifth Avenue  
New York, NY 10003 U.S.A.  
1-212-539-9600  
Attn: Barbara Lipman or Joy Sever



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