

US Consumers Hold Businesses Accountable For Online Privacy

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Almost all consumers avoid doing business with companies they believe do not protect privacy online

Online privacy continues to be one of the most debated industry issues. One need only note the amount of attention given to Google's privacy policy changes over the early part of 2012 to discover many of the common sensitivities surrounding this topic.

According to online privacy service provider TRUSTe, just 10% of US adults reported being worry-free regarding their online privacy. Though the level of online privacy concern varied in degree, a large percentage of respondents reported significant unease: 21% worried frequently, and 23% always worried about their digital privacy.

Oftentimes, worries manifest themselves in the form of trust or a lack thereof. TRUSTe found 59% of consumers trusted companies to some degree with their personal information online.

But November 2011 data from The American Consumer Institute Center for Citizen Research depicted a less trustworthy population. The majority of US consumers (62%) said they did not trust companies with their data, while 33% said they only somewhat trusted businesses with their personal information. Though the question was asked slightly differently in each study, they both show a significant number of US consumers reticent about sharing their personal information with companies online—information often essential to complete purchases online or to better personalize the customer experience.

The US isn't the only country where the majority of internet users are generally concerned about the privacy of their personal information. Data from loyalty marketing solution provider COLLOQUY showed that Brazil had the highest number of internet users (68%) reporting concerns over the privacy of their personal information. By contrast, just 33% of internet users in China reported concerns. Tight regulation of the internet by the Chinese government could be a reason for the lower level of privacy concern among the country's internet users.

The stakes are high for industry players that choose to ignore consumer worries and concerns about their online privacy. TRUSTe found almost all (95%) US consumers said businesses have a responsibility to protect internet users' online privacy. Fortunately, many brands, publishers, advertisers and solutions providers are already taking action to better protect consumer data online. But remaining on the sidelines and continuing to ignore industry best practices can have real consequences. Eighty-eight percent of respondents said they avoided doing business with companies they perceived did not protect their online privacy.

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