

# What can **you** do to protect your customers' privacy



*"Ninety-two percent of companies feel that they adequately protect users' privacy by disclosing practices and not selling data. However, ninety percent of sites fail to comply with... basic privacy protection principles."*

— Forrester Research



*"The loss of personal privacy is the Number One concern of Americans as the 21st Century approaches."*

— Wall Street Journal/  
NBC News Poll, September 1999.

## 1. Adoption and Implementation of a Privacy Policy

An organization engaged in online activities or electronic commerce has a responsibility to adopt and implement a policy for protecting the privacy of individually identifiable information. Organizations should also take steps that foster the adoption and implementation of effective online privacy policies by the organizations with which they interact; e.g., by sharing best practices with business partners.

## 2. Notice and Disclosure

An organization's privacy policy must be easy to find, read and understand. The policy must be available prior to or at the time that individually identifiable information is collected or requested. The policy must state clearly: what information is being collected; the use of that information; possible third party distribution of that information; the choices available to an individual regarding collection, use and distribution of the collected information; a statement of the organization's commitment to data security; and what steps the organization takes to ensure data quality and access. The policy should disclose the consequences, if any, of an individual's refusal to provide information. The policy should also include a clear statement of what accountability mechanism the organization uses, including how to contact the organization.

## 3. Choice/Consent

Individuals must be given the opportunity to exercise choice regarding how individually identifiable information collected from them online may be used when such use is unrelated to the purpose for which the information was collected. At a minimum, individuals should be given the opportunity to opt out of such use.

Additionally, in the vast majority of circumstances, where there is third party distribution of individually identifiable information, collected online from the individual, unrelated to the purpose for which it was collected, the individual should be given the opportunity to opt out. Consent for such use or third party distribution may also be obtained through technological tools or opt in.

## 4. Data Security

Organizations creating, maintaining, using or disseminating individually identifiable information should take appropriate measures to assure its reliability and should take reasonable precautions to protect it from loss, misuse or alteration. They should take reasonable steps to assure that third parties to which they transfer such information are aware of these security practices, and that the third parties also take reasonable precautions to protect any transferred information.

## 5. Data Quality and Access

Organizations creating, maintaining, using or disseminating individually identifiable information should take reasonable steps to assure that the data are accurate, complete and timely for the purposes for which they are to be used. Organizations should establish appropriate processes or mechanisms so that inaccuracies in material individually identifiable information, such as account or contact information, may be corrected. These processes and mechanisms should be simple and easy to use, and provide assurance that inaccuracies have been corrected. Other procedures to assure data quality may include use of reliable sources and collection methods, reasonable and appropriate consumer access and correction, and protections against accidental or unauthorized alteration.



**E-commerce has grown faster than anyone could have predicted only a few years ago. The Internet is entering more and more American homes to become a true mass medium. While the Net offers unparalleled convenience for consumers, many hesitate to transact business on the web. People are nervous about the potential loss of personal privacy. Is their personal information and online activity tracked, collected and analyzed without their knowledge or approval?**

**Web businesses are striving to convert visitors to customers. But consumers will not purchase from sites if they do not feel confident that their personal information is respected. News stories, studies and polls all confirm that fear of the loss of privacy is a principal reason people don't transact business online. If online companies expect consumers to spend time at a Web site, make purchases and visit the site again they must build trust.**

**Posting a privacy policy is a critical step. But what is a credible privacy policy? The Online Privacy Alliance, a coalition of nearly 100 global companies and associations, urges all Web businesses to post privacy policies that contain ALL the following elements, recognized by policymakers and consumers as the foundation for a policy that engenders trust.**

## Member Companies

3Com	Equifax	Novell
Axiom	Ernst and Young	northpole.com. LLC
AdForce	Experian	Oracle
America Online, Inc.	Fast Forward/IAB	Preview Travel
Ameritech	Ford	Pricewaterhouse Coopers
Apple Computer	Gateway	PrivaSeek, Inc.
AT&T	GeoCities	Procter & Gamble
Bank of America	Geotrust, Inc.	Real Networks, Inc.
Bell Atlantic	Hewlett-Packard	Reciprocal, Inc.
Bell South	IBM	Sun Microsystems
BioNetrix Systems Corp.	InsWeb Corporation	Teknosurf.com
Centraal Corporation	INSUREtrust.com LLC	Time Warner Inc.
Cisco	Intel Corp.	Unilever
CommTouch Software	Intuit	United States, Inc.
Compaq	KPMG	USinternetworking Inc.
Dell	LEXIS-NEXIS	Viacom
Disney	MatchLogic	ViewCall Canada, Inc.
Dun & Bradstreet	MCI WorldCom	Virtual Vineyards
DoubleClick Inc.	Microsoft	WebConnect
eBay Inc.	MindSpring	Women.com
Eastman Kodak, Co.	Enterprises, Inc.	Networks
EDS	National Foundation for Consumer Credit	Xerox
EDventure Holdings, Inc.	NCR	Yahoo!
E-LOAN	Nestlé USA	
Engage	Netscape	
Technologies Inc.	Netzip Inc.	
Anonymous Corporation	NORTEL	

## Member Associations

American Advertising Federation	Information Technology Association of America
American Electronics Association	Information Technology Industry Council
American Institute of Certified Public Accountants	Interactive Digital Software Association
Association of Online Professionals	Interactive Travel Services Association (ITSA)
Business Software Alliance	Internet Alliance
CASIE (CASIE is representing Association of National Advertisers & American Association of Advertising Agencies)	Motion Picture Association of America Software & Information Industry Association
Computer Systems Policy Project (CSPP)	The United States Chamber of Commerce
Council of Growing Companies	The United States Council for International Business
Direct Marketing Association	
European-American Business Council	
Individual Reference Services Group	

**Organizations collecting personal data are urged to join an online privacy "seal program." Information on these programs is available at the following Web sites:**

[www.bbbonline.org](http://www.bbbonline.org)

[www.truste.org](http://www.truste.org)      [www.cpawebtrust.org](http://www.cpawebtrust.org)

**Other third party enforcement programs are at:**

[www.the-dma.org](http://www.the-dma.org)      [www.irsg.org](http://www.irsg.org)

**Thanks to Intel Corporation for their support in the creation of this brochure.**

**Join Us!** To join the Online Privacy Alliance, or for more information, contact: [www.privacyalliance.org](http://www.privacyalliance.org)  
Or contact 202/244-1200.

# Creating consumer confidence online: Five Essential Elements to Online Privacy

