

Introduction

The emergence of digital technologies including the Internet, smartphones, tablets and other digital devices has increased both the complexity of the core definition of this construct, the ways in which privacy may be viewed, and exacerbated the consequences of failing to adequately protect privacy at both individual and systematic levels. Privacy as a complex construct has been approached by researchers from various disciplines and from a number of different perspectives¹. As Kilger and Jovanova (2012) point out

Some researchers view the general concept of privacy from a political perspective as an essential right to protect of individuals that is supposed to be protected by the state (Rosen, 2000). Others view privacy as a commodity subject to the forces of costs and benefits that may be able to be described by a particular calculus (Li et al, 2010). Privacy has also been framed as the ability to control the dissemination and use of personal information (Margulis, 1977).

Understanding more about how people feel about different dimensions of privacy and how these relate to the use of digital technology may assist in providing some guidance in developing digital privacy standards and their implementation among new and existing digital technologies.

Data Source

The source for the analyses is a recent 2011 Experian Simmons' National Consumer Study (current 2012 data is also available and would be used for the actual discussion but I could grab the 2011 data quickly). This study is a national probability sample of the United States adult population that is conducted continuously throughout the year. The sample design contains disproportionate sampling for Hispanics, higher income households and certain geographic areas and is design weighted to account for this as well as stratum non-response and then projected to current population estimates. The study contains approximately 25,000 respondents and over 60,000 variables – including measures of Internet, smartphone and tablet usage, extensive demographics and attitudes and behaviors directly related to privacy issues.

There are currently 19 privacy measures available in the National Consumer Study and these measures cover a number of topics including the respondent's assessment of the risk and impact of online information on their lives, the amount of control they feel they have over their personal information, their tendency to use the Internet less because of privacy concerns, their interactions with companies concerning the collection and use of their personal information and more. A full list of the privacy measures can be found in Appendix A.

Examples of U.S. Adult Attitudes Towards Privacy Issues

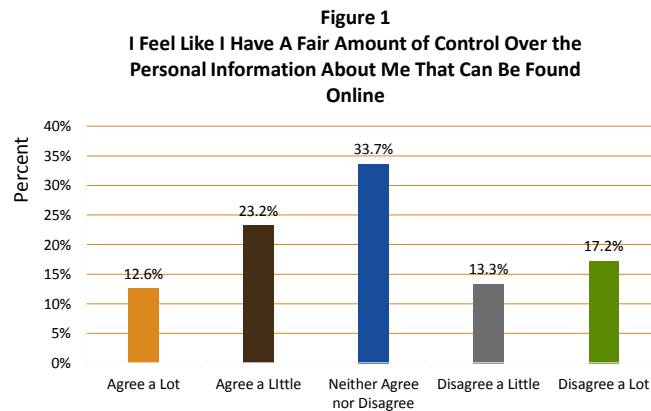
Examining perceptions and behaviors regarding privacy one can examine a number of things such as the size of the segment of the U.S. population that feels a particular privacy issue is of concern. Also, one might be able to compare the subjective or objective evaluations of the actual, estimated risk that issues

¹ For the reader interested in a comprehensive review of the privacy literature see Smith et al (2011).

in each of these areas poses with the perception of these risks by the U.S. population. Balancing actual with perceived threats may provide practitioners with data that may assist in prioritizing privacy standards as well as providing insight into where better educational efforts may be most effective.

How much control people have over personal online information is one measure about how people feel about online privacy. As can be seen in Figure 1, only about 1 in 8 people agree a lot that they have control over the online information about them. A little over 30% of adults disagreed to some extent that they have a fair amount of control and about 1 out of 3 adults did not agree or disagree with the statement.

Basic Distributions

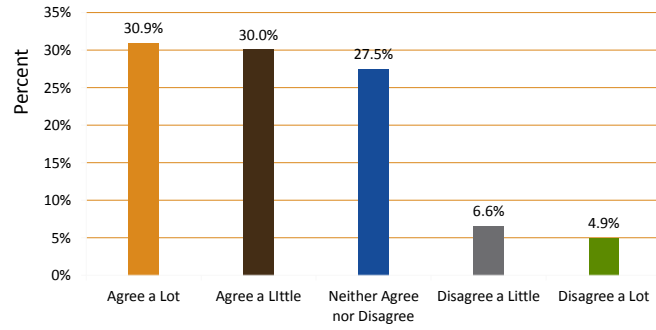


Source: Experian Simmons Fall 2011 12-Month National Consumer Study

Do people feel that personal online information is just as risky as providing it offline? According to the data, over 60% of respondents said that they agreed to some extent with this statement as shown in Figure 2. Only 11.5% of U.S. adults disagreed to some extent with this statement. Thus a majority of American adults are inclined to believe that the risk of providing personal information online is equivalent to that of providing it offline.

Basic Distributions

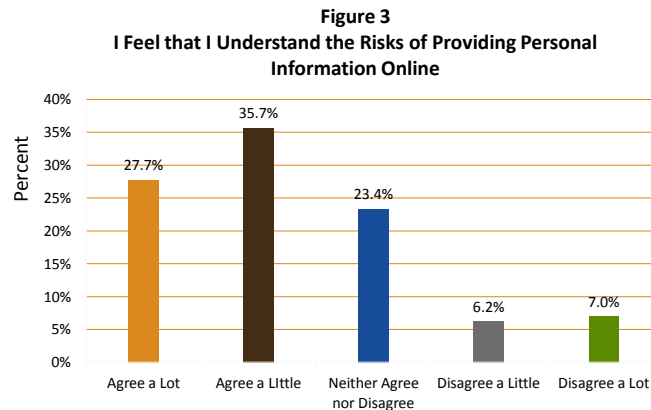
Figure 2
Providing Personal Information Offline is Just as Risky as Providing it Online



Source: Experian Simmons Fall 2011 12-Month National Consumer Study

There is a lot of debate about the actual safety of online information and much of that debate often involves complex technical evaluations of information security measures, corporate infosec policies, legal protections and other relevant factors. It is unlikely, given the uncertainty and lack of consensus with which privacy and information security experts view the safety of online that the average American has a very accurate estimate of how secure and private information they have provided online actually is. How do people feel about the level of understanding they have about the risks of providing personal information online?

Basic Distributions



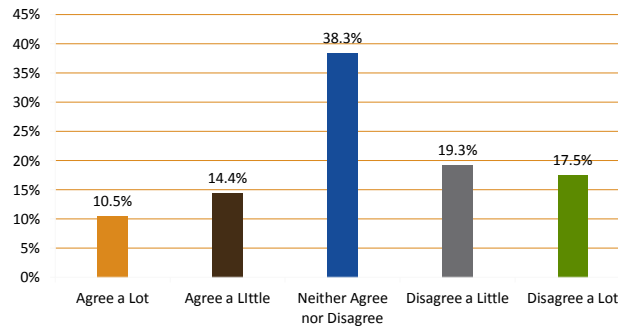
Source: Experian Simmons Fall 2011 12-Month National Consumer Study

Over 63% of adults in the U.S. agree at least to some extent that they understood the risks of providing personal information online. This is perhaps somewhat surprising given some of the media attention to recent data breaches and it is likely that this perception varies depending upon the length of time individuals have been using the Internet.

Given that there is the perception of at least some risk involved with being online, has this perception of risk discouraged individuals from using the Internet as much as perhaps they did previously? In Figure 4 below, we see that about 1 in 4 U.S. adults state that they use the Internet less than before because of privacy issues. This underscores the need to build in privacy protections that individuals can count on and have some confidence in. As threats to online privacy continue to become more sophisticated and accumulate more serious consequences, this portion of the U.S. population that has backed off to some degree from the Internet may continue to grow and along with it losses in opportunities for more economic benefits from the net may occur.

Basic Distributions

Figure 4
I Use the Internet Less Than Before Because of Privacy Concerns



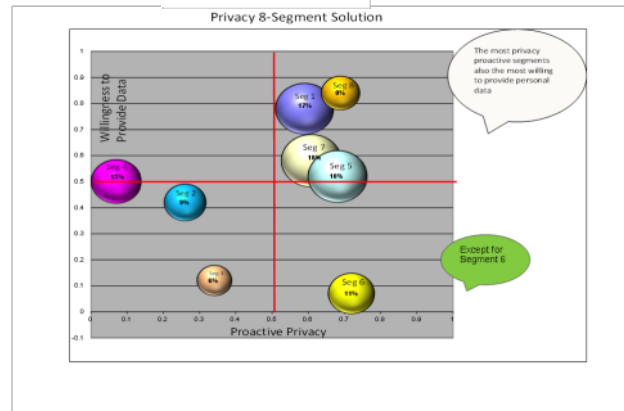
Source: Experian Simmons Fall 2011 12-Month National Consumer Study

Finally, there is the persistent idea of the paradox of privacy (Smith et al ,2011). That is, a number of research studies have suggested that what people say about protecting privacy and what they do sometimes are quite different. Gaining an understanding of this paradox is important in that it may help us better understand the willingness of people to provide information online in relation to ecommerce and other important objectives even when there are threats to privacy.

In the last figure below, we performed a segmentation of respondents from some early privacy data that had come in. The axis represents the extent to which people were willing to proactively protect their privacy. The y axis represents the willingness to provide personal data in exchange for something of value. Segment 6 is the archetype that one thinks of when thinking of how people structure their attitudes and behaviors about privacy – that is, they state that they take proactive action to protect their privacy and they are not willing to provide personal information in exchange for something of value.

However, what is interesting is the upper right hand quadrant – this is where people who are at least somewhat proactive about their privacy are also willing to provide personal information in exchange for something of value. This lines up with the privacy as commodity perspective previously cited as well as providing some additional empirical evidence for the privacy paradox.

Privacy Segmentation



In summary, there is a lot to learn about how people perceive online privacy risks as well as whether there are intervening factors such as the willingness to exchange personal information for objects of value. It is hoped that by providing a better understanding of how individuals perceive constructs such as online privacy and the risks of providing personal information online, whether actively or passively, this information maybe useful in assessing web privacy standards priorities as well as helping to communicate to people how these standards operate.

References

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Li, H., Sarathy, R. and Xu, H., 2010. "Understanding situational online information disclosure as a privacy calculus." *Journal of Computer Information Systems*, volume 51 (1), pp. 62-71.

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Rosen, J., 2000. *The Unwanted Gaze: The Destruction of Privacy in America*. New York: Random House.

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Appendix A

All of the following measures utilize a five point Likert scale for response category:

Agree a lot / Agree a little / Neither Agree nor Disagree / Disagree a little / Disagree a lot

1. I sometimes use a search engine to find out what information about me might be online
2. I feel like I have a fair amount of control over the personal information about me that can be found online
3. I often look up a company or organization online before I give them information about myself
4. I often read the privacy statements that companies have on their websites or in print
5. Most of the personal information about me that is online is relatively harmless
6. I don't mind companies using information about me to better understand products and services that I might want
7. I feel that I understand the risks of providing personal information online
8. I am willing to provide some personal information to a company in order to get something that I want
9. I would feel more comfortable providing personal information that display a trusted seal of approval
10. I don't mind companies sharing my product preferences as long as it's anonymous
11. I like knowing how companies are using information about me
12. I use the Internet less than before because of privacy concerns
13. Providing personal information offline is just as risky as providing it online
14. If there were a program to inform companies about my privacy preferences I would participate in that program
15. I want more personal control over information that companies might have about me
16. I know many people who have had something negative happen to them because of personal information available online
17. I trust the federal government to make the best decisions about how to protect my privacy
18. Once a piece of personal information becomes available online, there is nothing I can do about it
19. I have experienced a situation where online information about me has had negative consequences