



Truth in Privacy

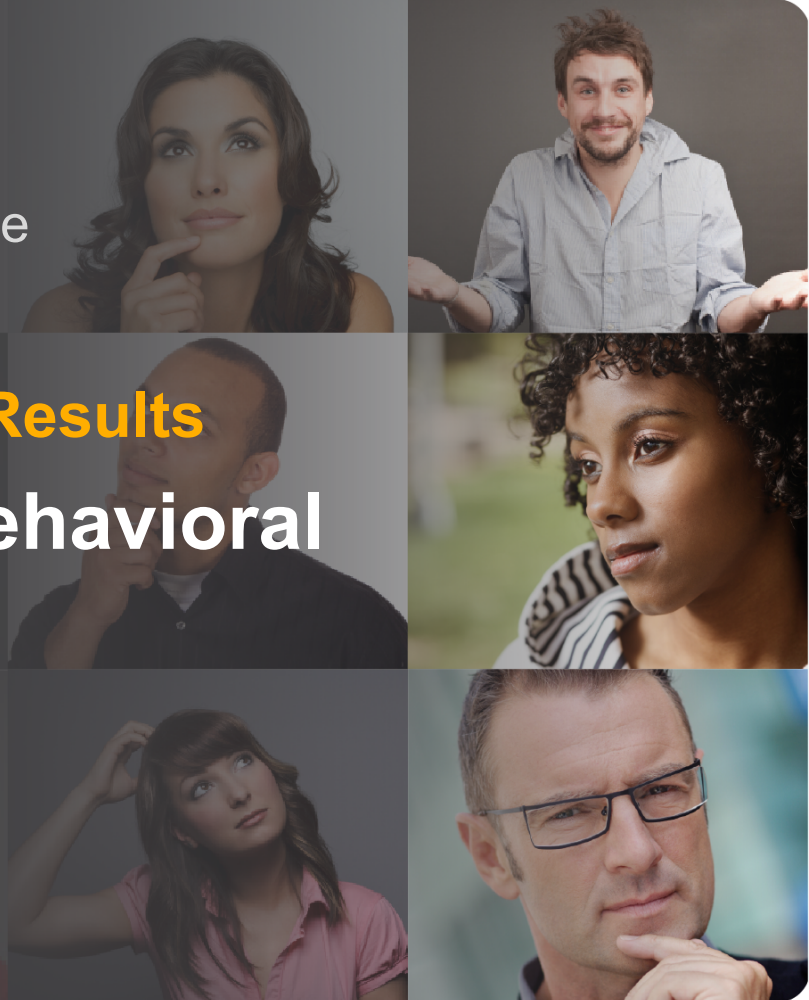
TRUSTe Research

In partnership with Harris Interactive

2011 Consumer Research Results

Privacy and Online Behavioral Advertising

July 25, 2011





Welcome: TRUSTe Overview



- Mission: *Truth in Privacy*
- #1 Privacy Management Solutions Provider
- Founded in 1997 as non-profit industry association
- Converted to for-profit in 2008 to address emerging privacy challenges
- Over 4,000 clients

Comprehensive Privacy Solutions for:



Website



Mobile



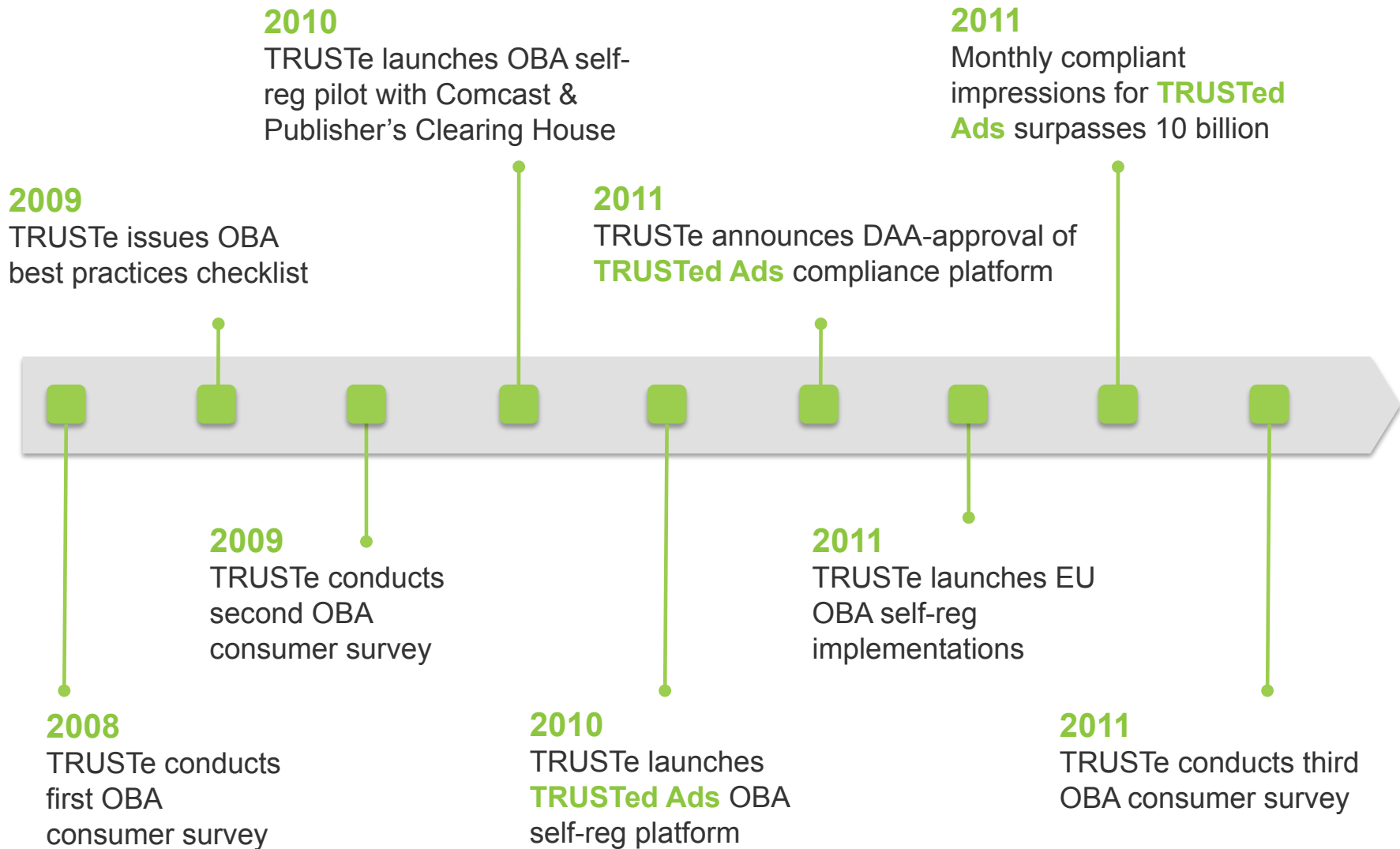
Cloud



Advertising



TRUSTe and Online Behavioral Advertising





TRUSTe and Consumer Research

- **We're committed to an improved understanding of consumer privacy perceptions and views**
 - Social Media Privacy: *2010 survey*
 - Mobile Privacy: *2011 survey*
 - Online Behavioral Advertising: *2008, 2009, now 2011 survey*
- **Why?**
 - Help guide our services to be focused on the most important consumer privacy issues
 - Share results with stakeholders – regulators, industry, clients - to improve overall privacy policy development and services



Harris Interactive



Harris Interactive is one of the world's leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries, including healthcare, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods.

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Privacy and OBA Research Objectives

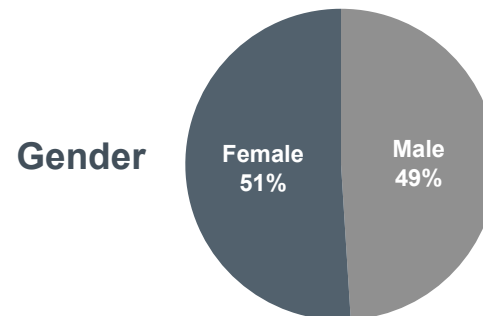
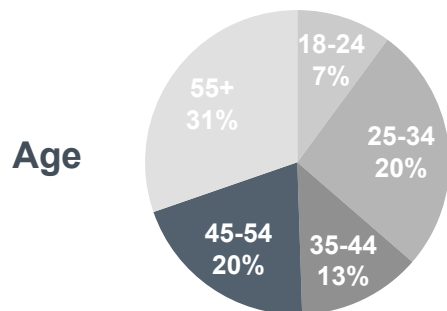
- What do consumers think about online privacy?
- What do consumers think about online behavioral advertising?
- How do consumer thoughts on privacy and behavioral advertising impact trust?
- What impact does the DAA Compliance Program have on consumer perceptions?
- Trend 2008 and 2009 OBA survey results



Research Overview

Methodology

- 1,004 total interviews were conducted among Harris Interactive's online consumer panel
- Interviews conducted May 26 – June 2, 2011
- Respondents were qualified as:
 - US residents
 - Age 18 and over
 - Not employed in advertising, marketing research, PR
- Weighted to match the US adult population of computer users:





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Part 1: What Do Consumers Think About Privacy And What Steps Do They Take?

Part 2: What Do Consumers Think About Online Behavioral Advertising?

Part 3: How Do Consumer Beliefs About Privacy And OBA Impact Trust?

Part 4: What Impact Is The DAA Program Having On Consumer Perceptions?

Part 5: Research Implications





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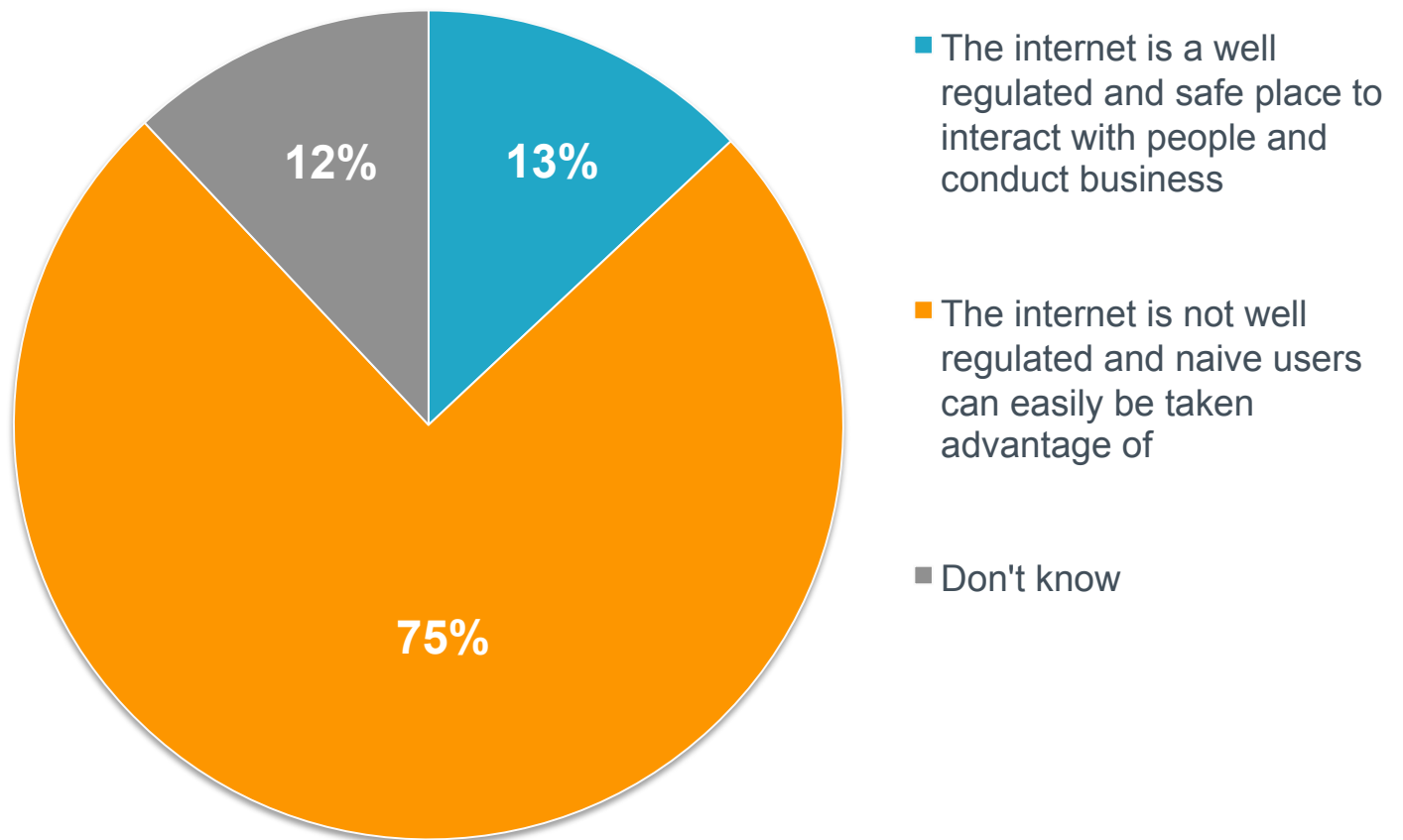
Part I: What Do Consumers Think About Privacy And What Steps Do They Take?





75% Of Consumers Believe The Internet Is Not Well-Regulated

Beliefs About Internet Regulation

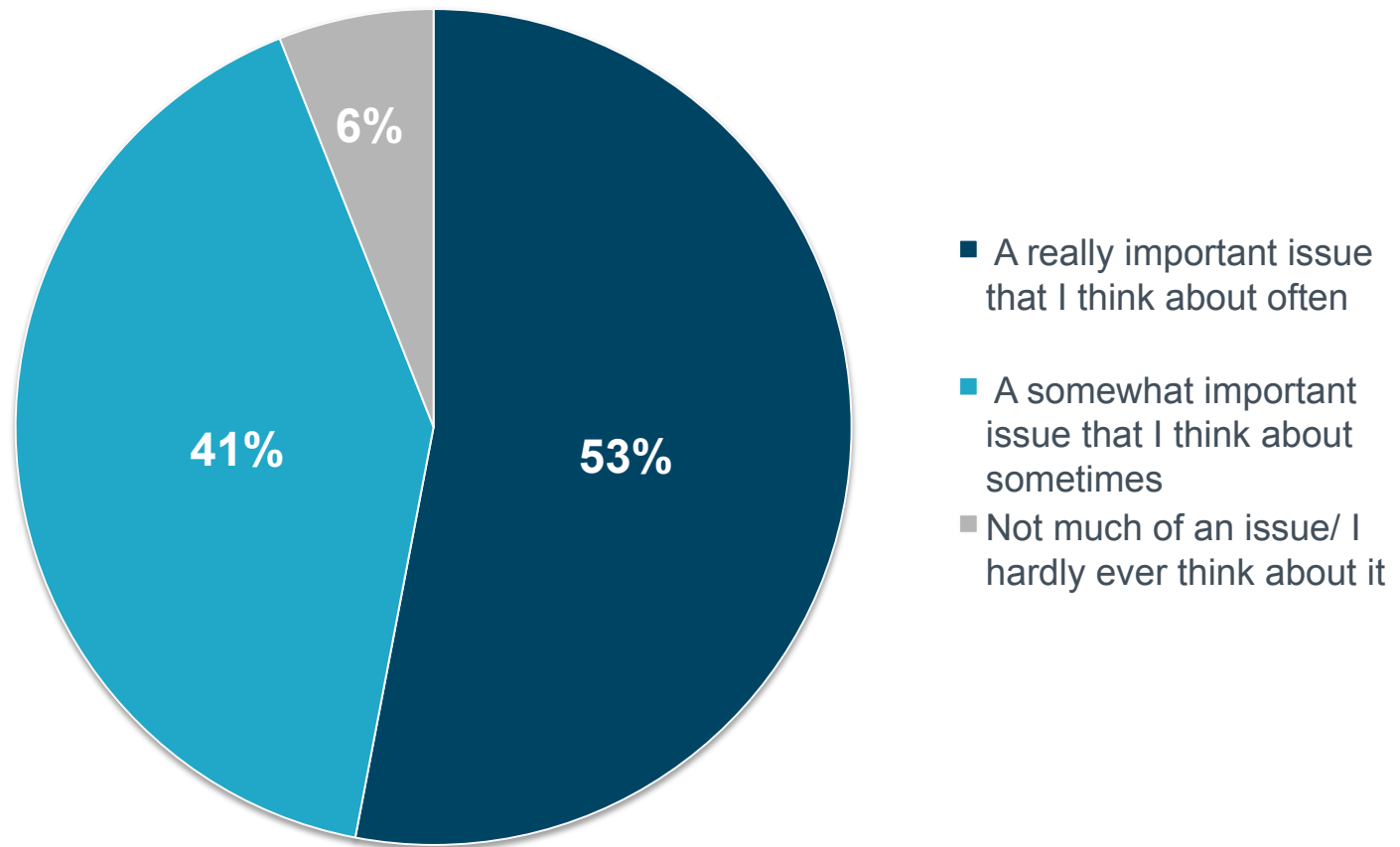


Consistently High since 2008



94% Of Consumers Consider Online Privacy Important

Importance of Online Privacy



The importance of online privacy has remained steady since 2008!

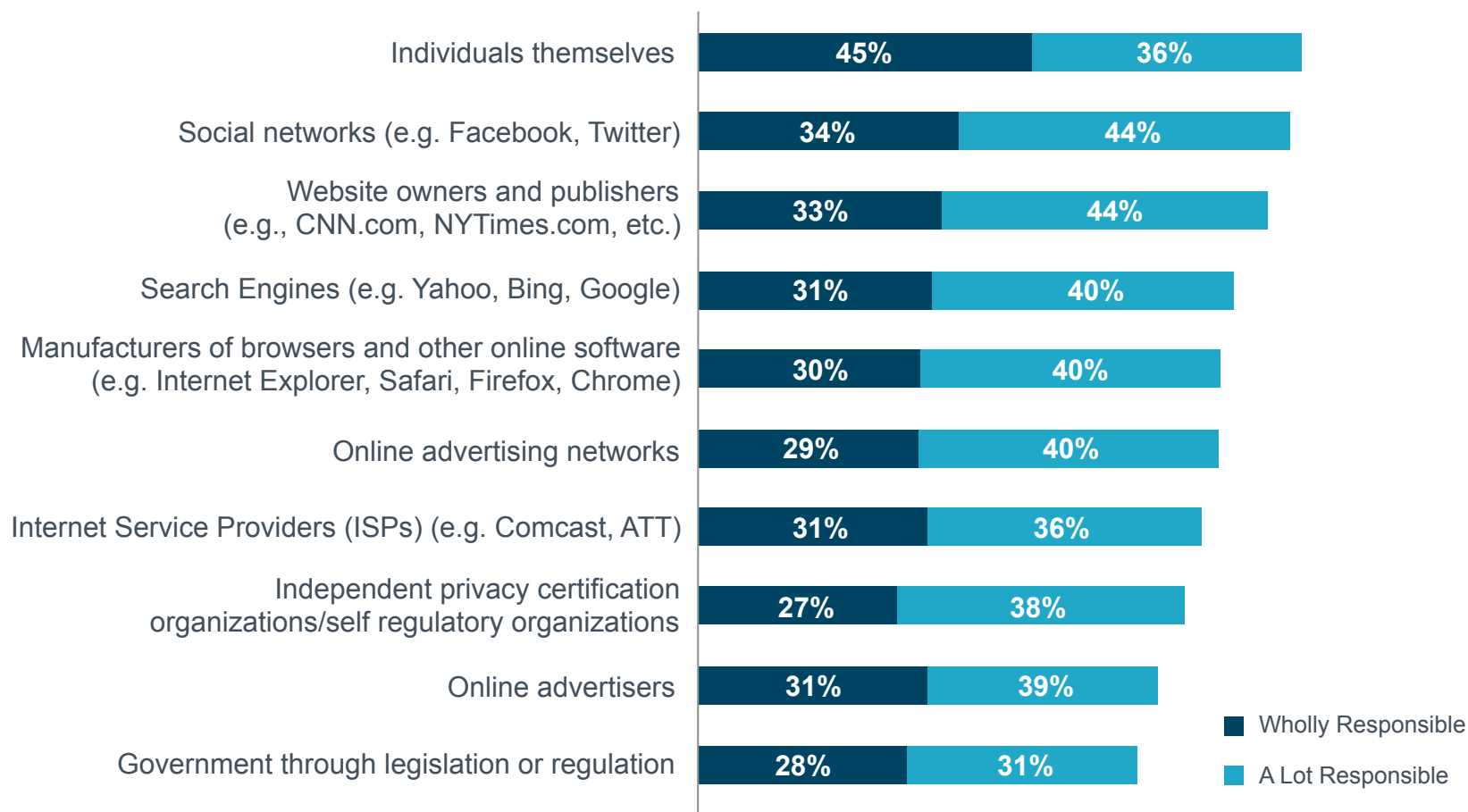
BASE: Total Qualified Respondents (n=1004)

Q800 Privacy can have a different level of importance to different people. For you, personally, how important is the issue of online privacy?



Consumers Believe Many Groups Should Be Responsible for Safeguarding Privacy

Responsibility of Different Groups In Protecting An Individual's Online Privacy



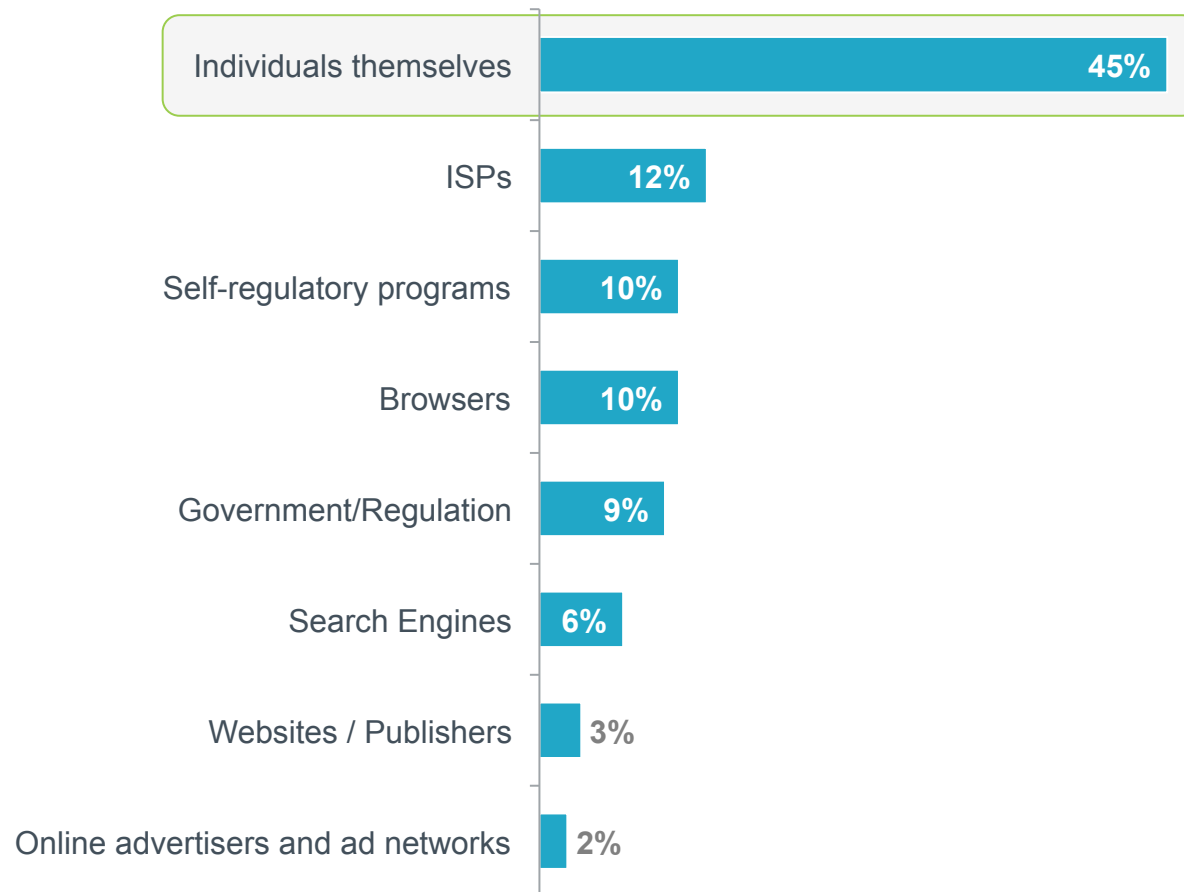
BASE: Total Qualified Respondents (n=1004)

Q836 When thinking about protecting an individual's online privacy, how responsible should each of the following groups be?



Consumers Ultimately Trust Themselves Most To Protect Their Privacy

Who Would You Most Trust To Protect Your Privacy?



BASE: Total Qualified Respondents (n=1004)

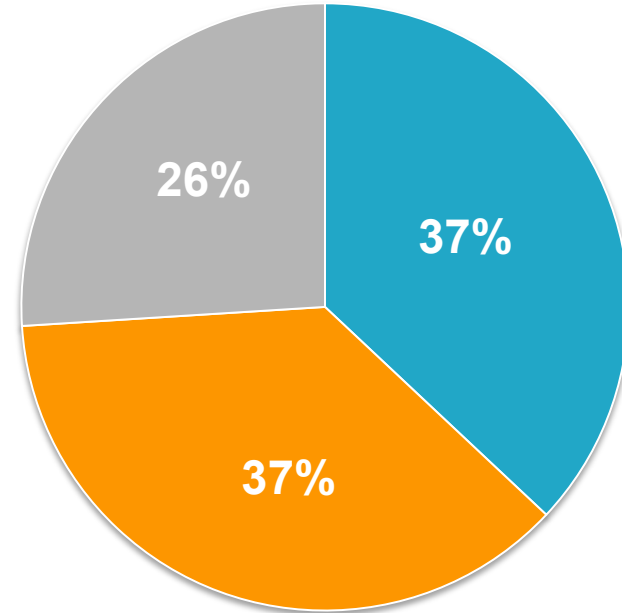
Q840 Which one would you most trust to protect your privacy?



Only 37% Consistently Take Steps To Protect Their Privacy

Protecting Personal Information Online

- I know how to protect my personal information online and consistently take the necessary steps to do so
- I know how to protect my personal information online but don't consistently do so
- I don't really know how to protect my personal information online



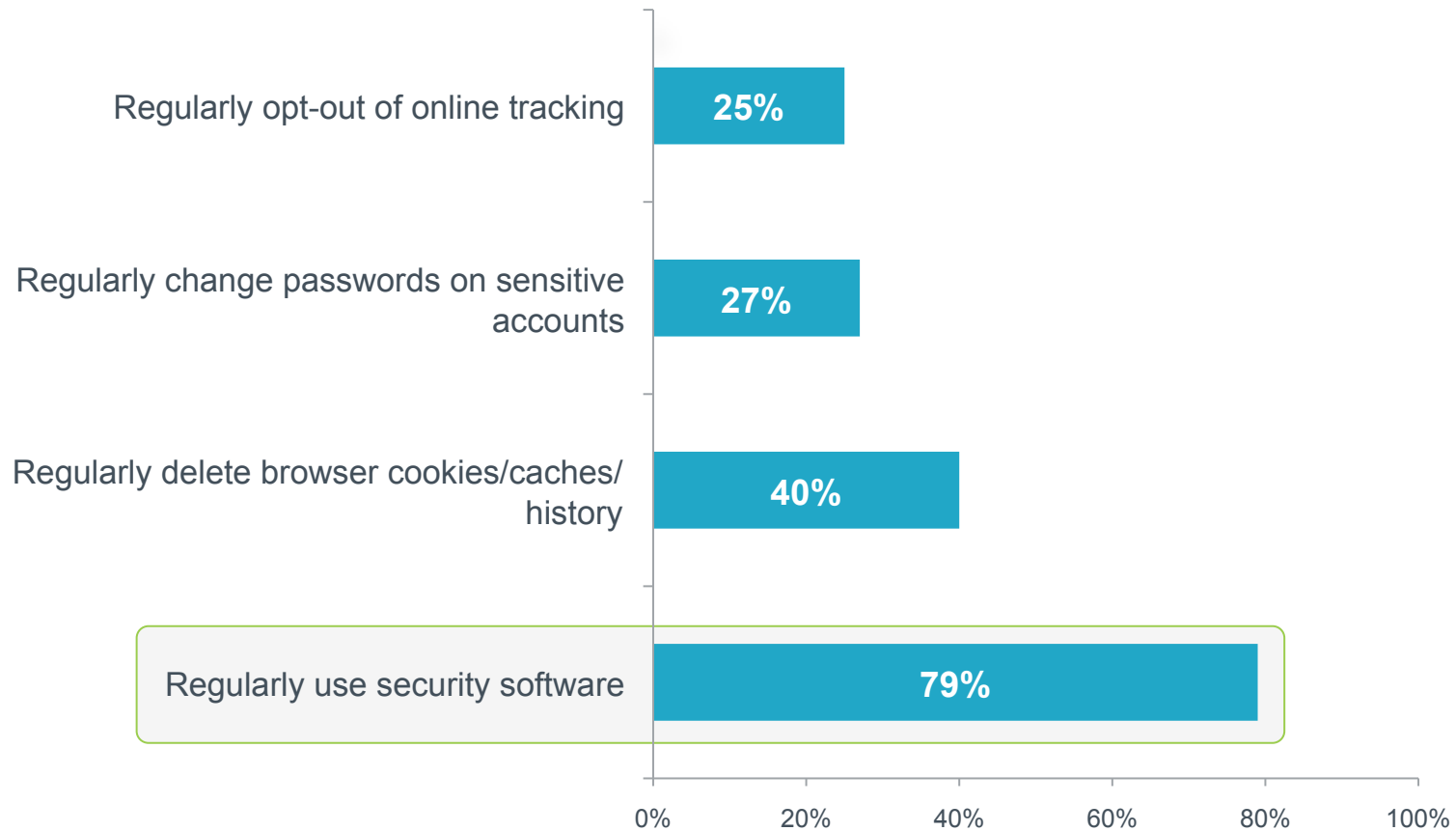
BASE: Total Qualified Respondents (n=1004)

Q805 Which of the following best describes you in terms of protecting your personal information online?



The Most Frequent Step Consumers Claim To Take Is Using Security Software

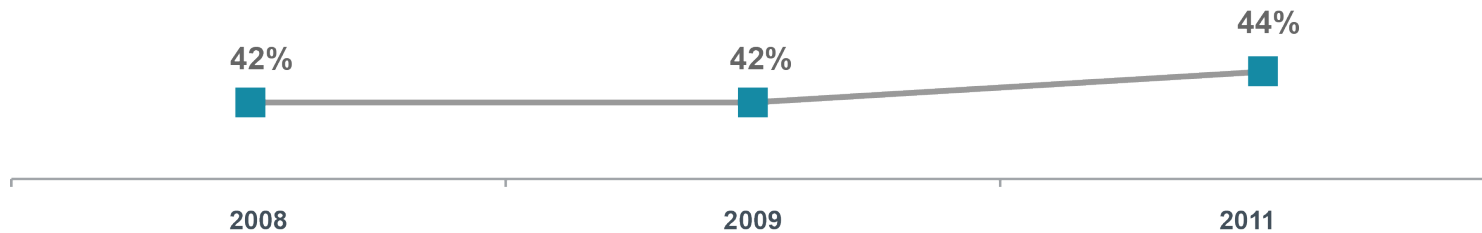
Frequency of Taking Specific Steps To Protect Online Privacy





Interest In “Do Not Track” Concept Is Moderately High, But Has Not Increased

I Would Sign Up For A “Do Not Track” List, Even If Meant Less Relevant Ads



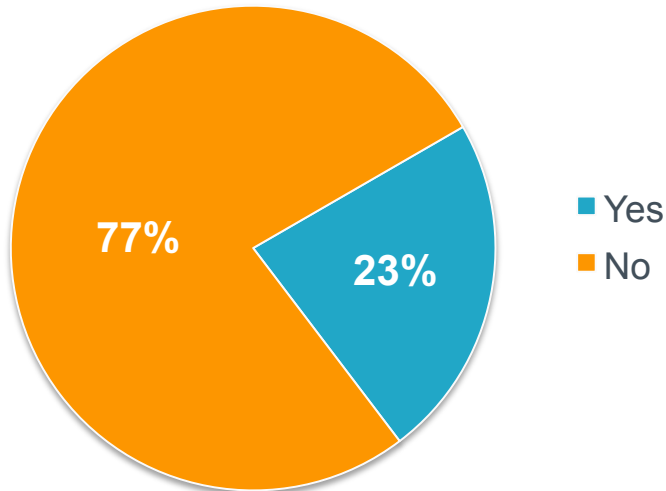
BASE: Total Qualified Respondents (n=1004)

Q751 Please indicate the degree to which you agree or disagree with each of the following statements related to online advertising.
"I would sign up for an online registry to ensure that advertisers do not track my browsing behaviors, even if it meant that I would receive ads that are less relevant to my interests"

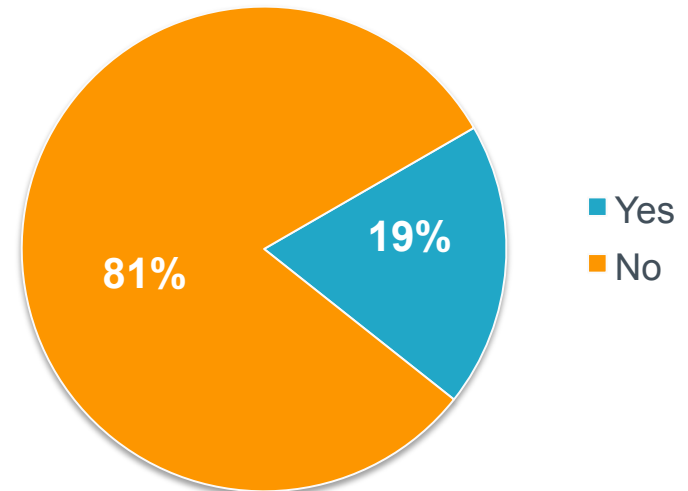


Consumer Awareness Of Browser Tracking Protection Features Is Low

Are you aware of your browser offering any features to control ad targeting?



Have you ever downloaded and used a tracking blocker product?



BASE: Total Qualified Respondents (n=1004)

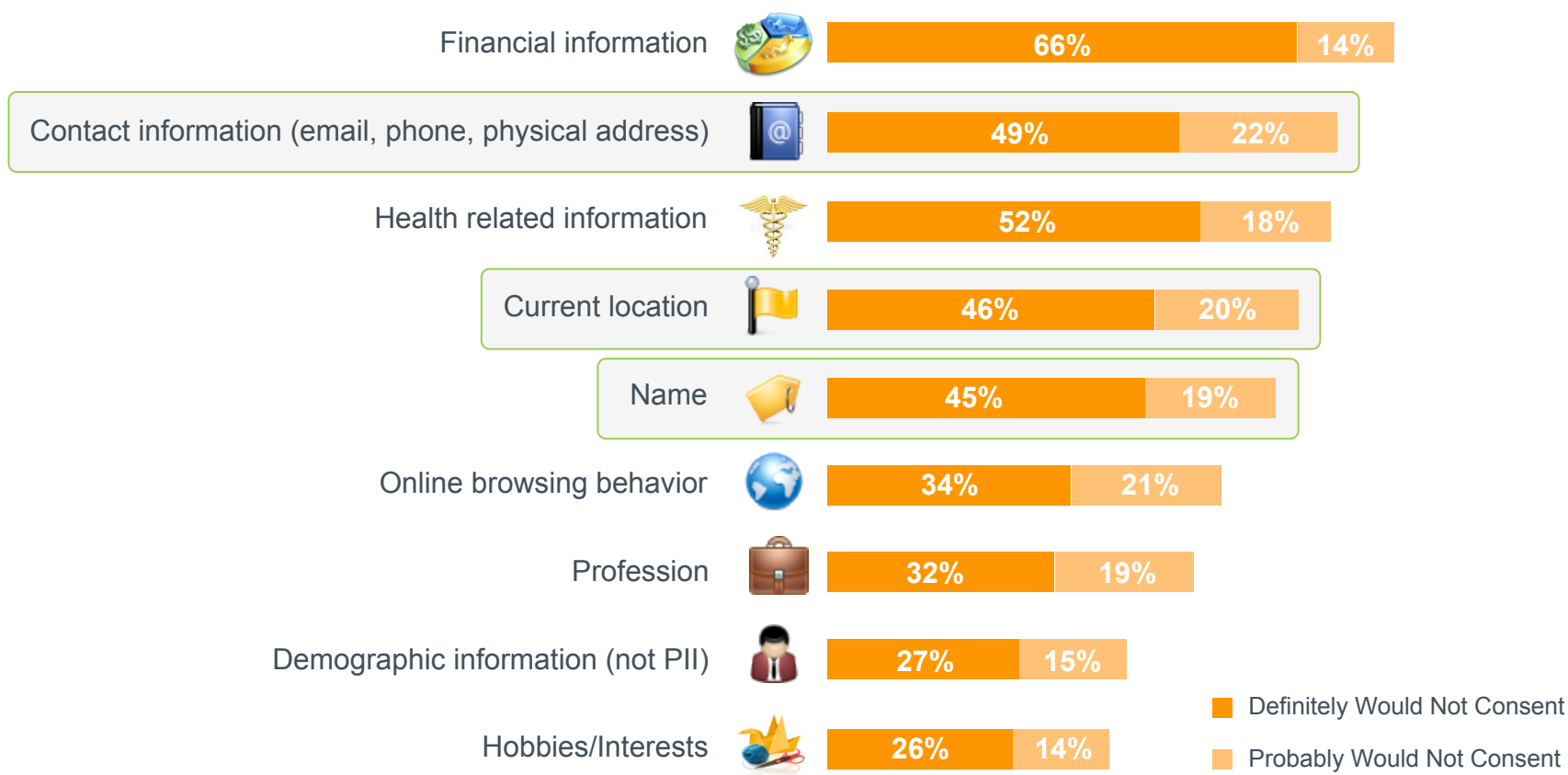
Q (Classification) : Are you aware of your browser offering any features to control ad targeting?

Q815 Which, if any, of the following tracking blockers products have you ever downloaded and used? Please select all that apply.



Few Would Willingly Share Identifying or Sensitive Information With Advertisers

Types of Information Consumers Would Not Consent To Sharing With Advertisers



BASE: Total Qualified Respondents (n=1004)

Q741 How likely are you to consent to share each of the following types of information with advertisers?



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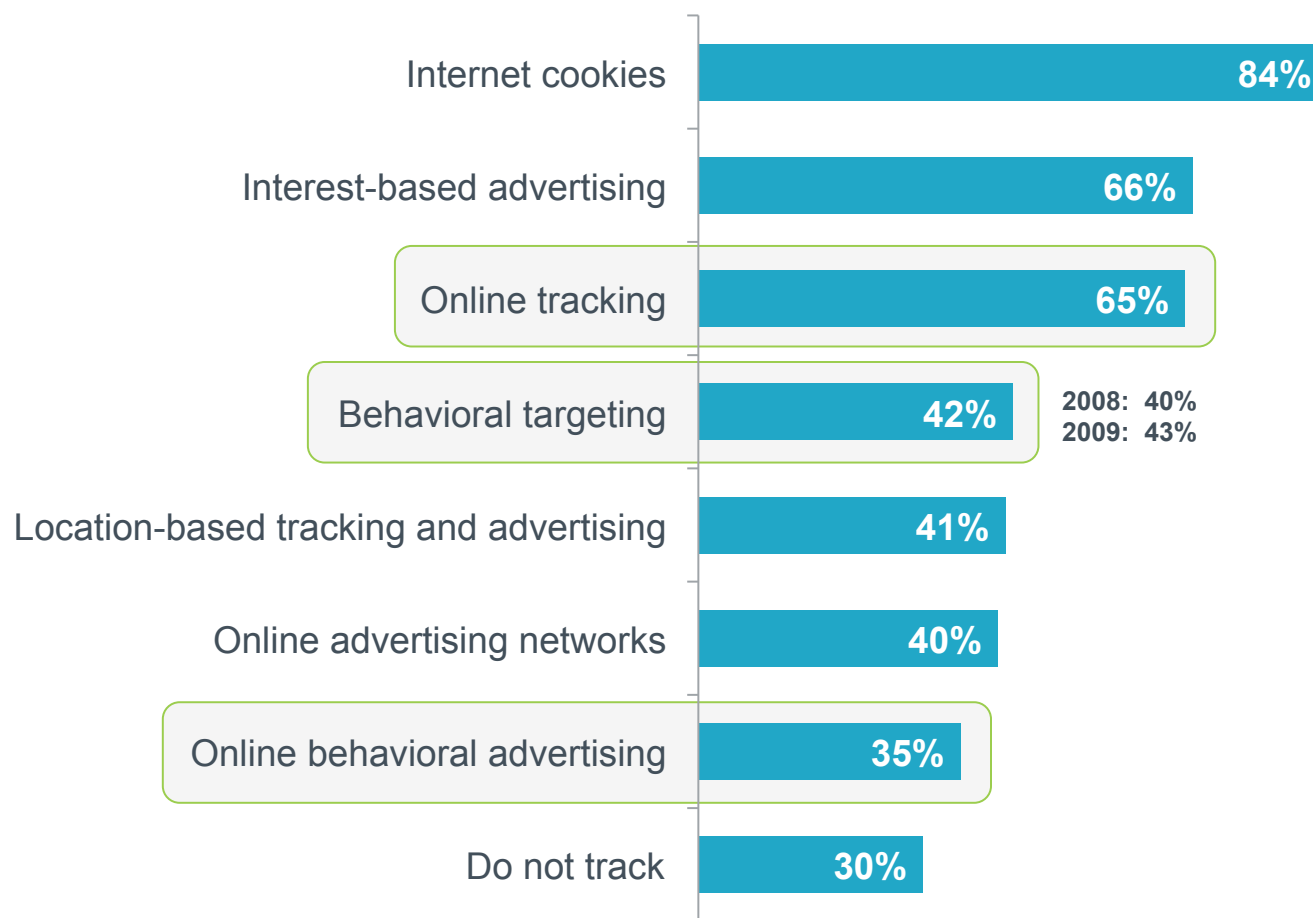
Part 2: What Do Consumers Think About Online Behavioral Advertising?





Only 1 in 3 Consumers Know The Term “Online Behavioral Advertising” and Awareness Of Similar Terms Is Higher

Awareness Of Terms





“Tracking” And “Targeting” Are Unfavorable Terms, “Interest-based Advertising” Is More Favorable

Negative Connotation of Terms



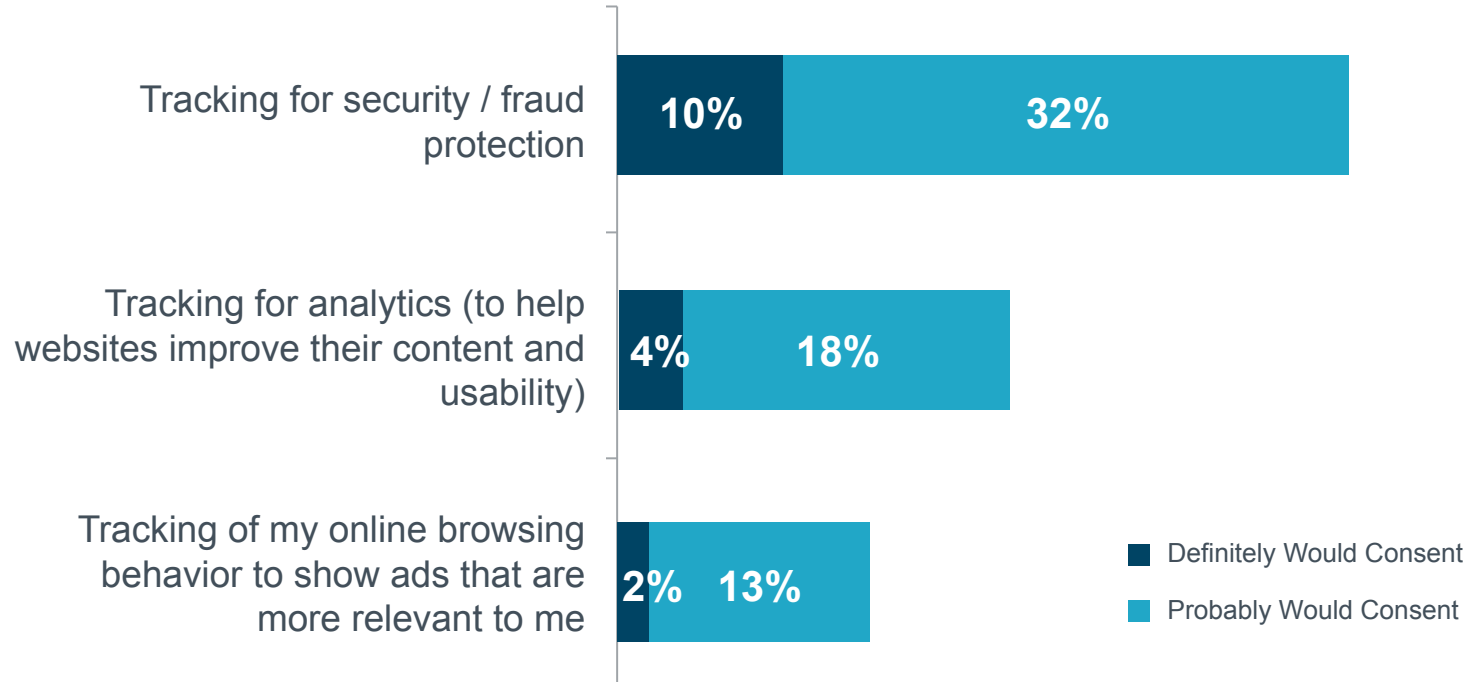
BASE: Total Qualified Respondents (n=1004)

Q706 What type of connotation or meaning do these terms hold for you personally?



Little Interest In “Tracking Browser Behavior” For Any Purpose Except Security

Likelihood to Consent To Tracking of Online Browsing Behavior Under Specific Circumstances



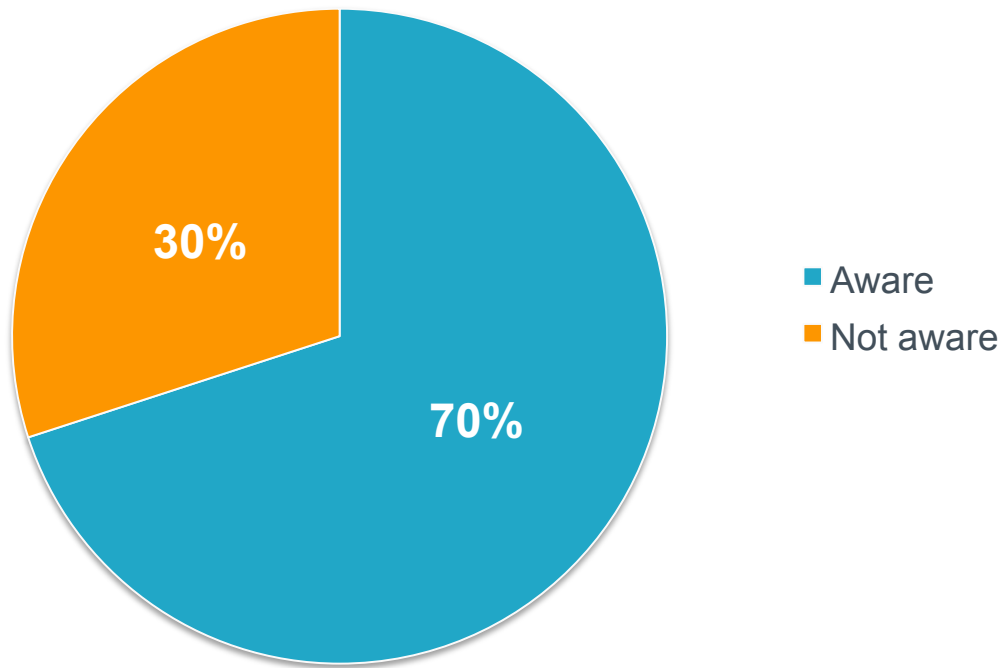
BASE: Total Qualified Respondents (n=1004)

Q731 For each of the following situations below, please indicate how likely you would be to consent to tracking of your online browsing behavior?



High Awareness Of The Concept Of Online Behavioral Advertising

Awareness of Online Behavioral Advertising



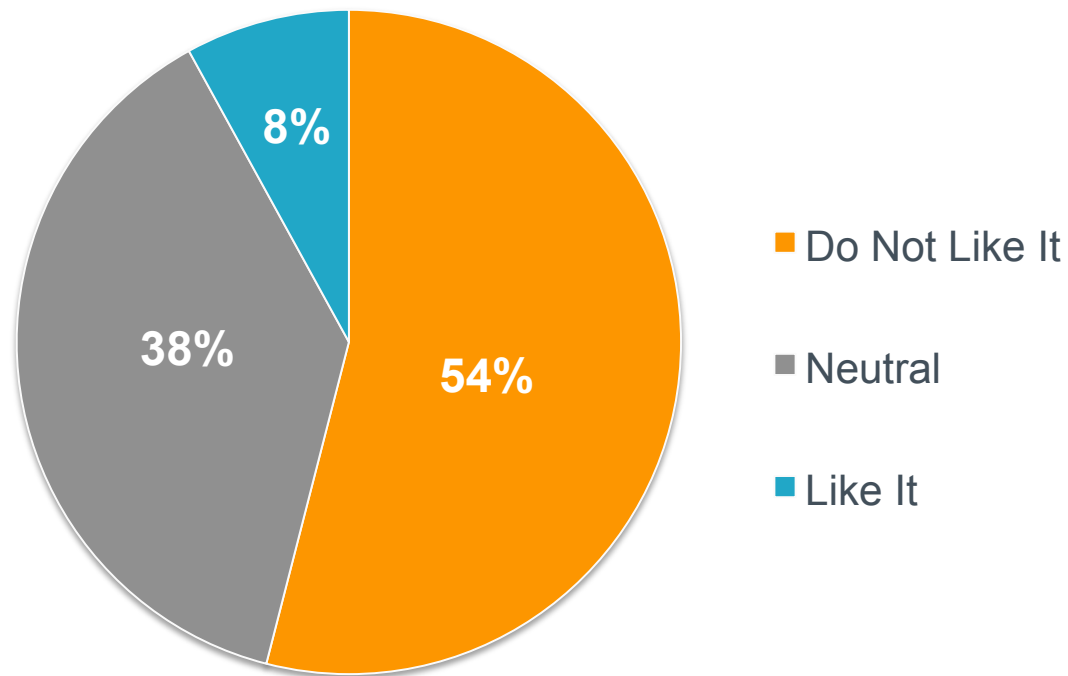
BASE: Total Qualified Respondents (n=1004)

Q710 Are you aware that some advertisers and websites track your browsing activities and show you ads deemed relevant based on your browsing history?
This is commonly referred to as Online Behavioral Advertising.



However, More Than Half Are Not Favorable Toward The Practice

Favorability Towards OBA



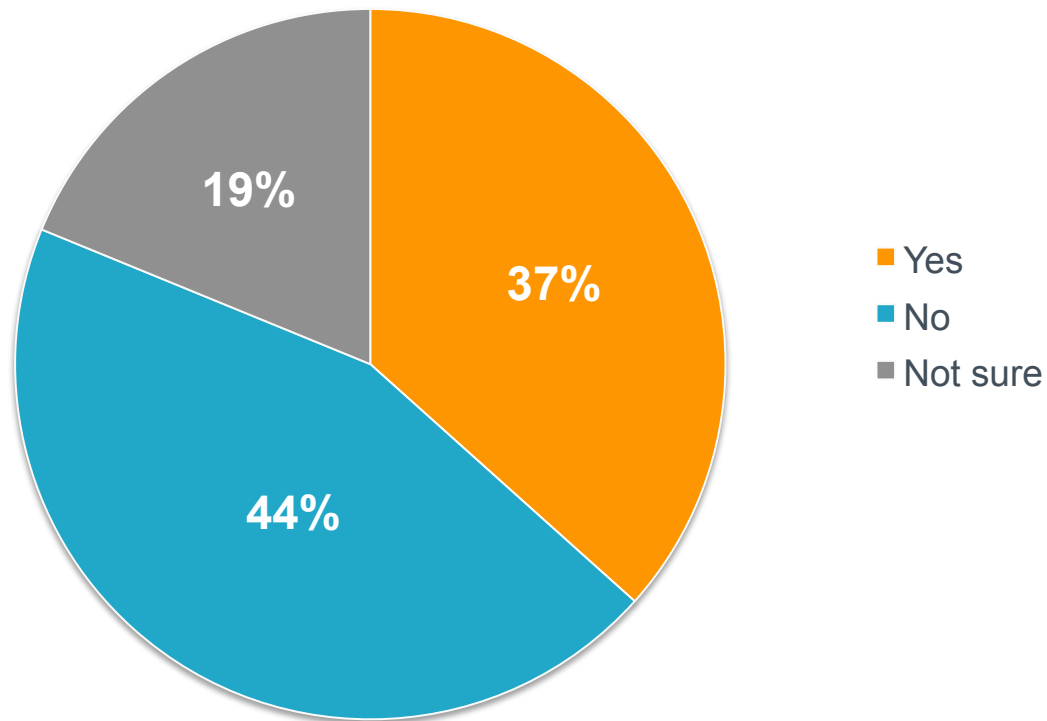
BASE: Total Qualified Respondents (n=1004)

Q715 How do you feel about Online Behavioral Advertising as described above?



37% Report They've Felt Uncomfortable With A Targeted Online Advertisement

Has A Targeted Ad Ever Made You Feel Uncomfortable?



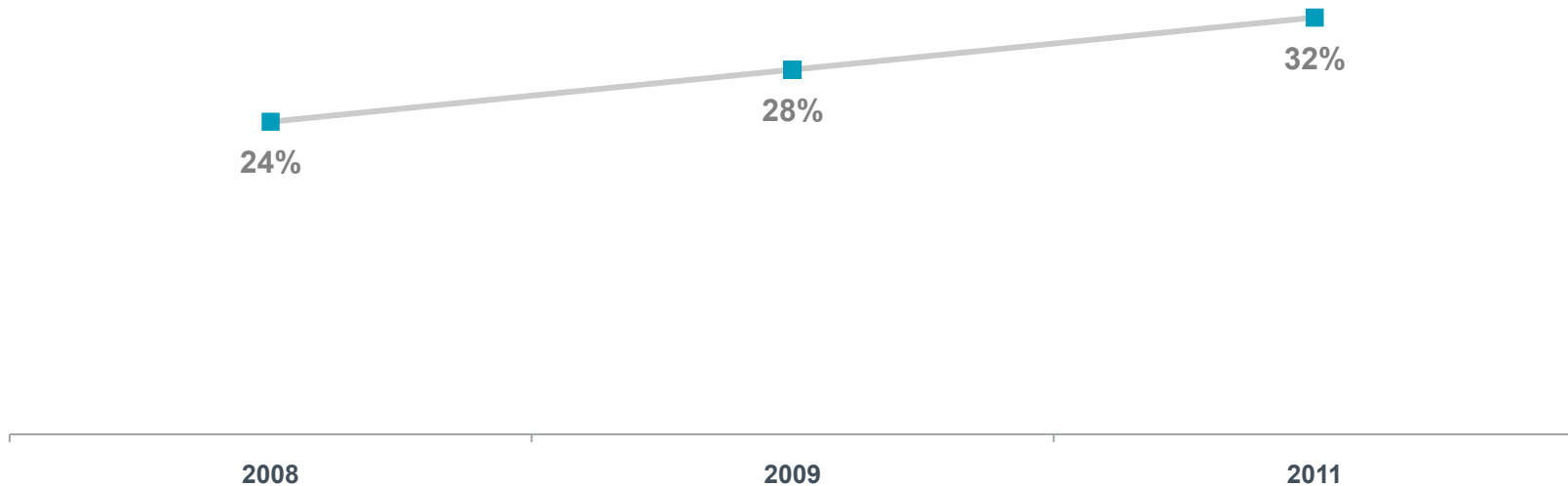
BASE: Total Qualified Respondents (n=1004)

Q745 Has an online advertisement ever made you feel uncomfortable because it seemed targeted to you based on your browsing behavior or personal information?



Comfort Levels With OBA (If Not Tied to PII) Are Trending Upward Over Time

Consumers Who Feel Comfortable with Behavioral Advertising,
Provided It's Not Tied To Their PII



BASE: Total Qualified Respondents (n=1004)

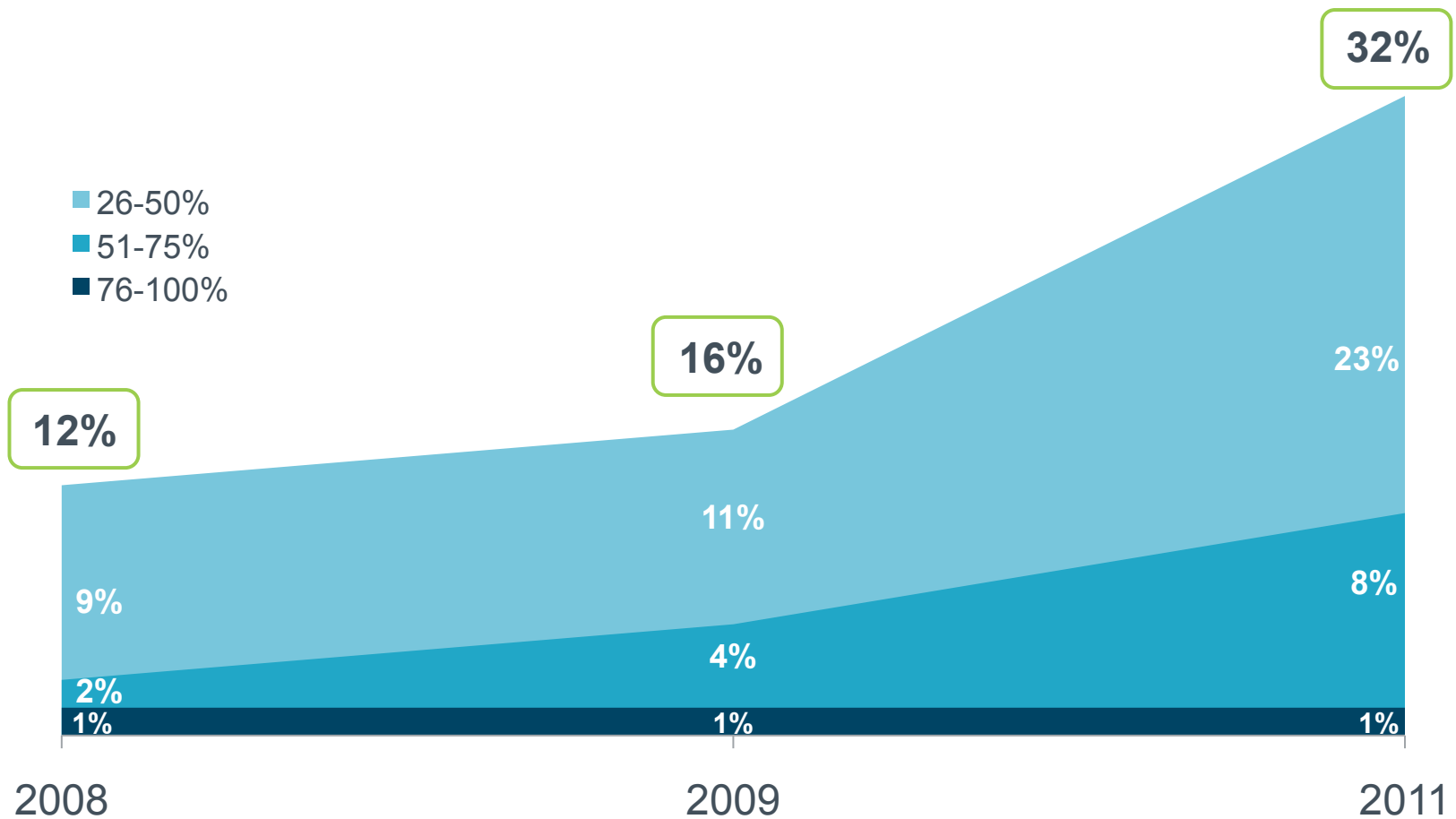
Q751 Please indicate the degree to which you agree or disagree with each of the following statements related to online advertising.

"I am comfortable with advertisers using my browsing history to serve me relevant ads, as long as that information cannot be tied to my name or any other personal information."



Consumers Feel Ads Have Become Increasingly Relevant Over The Years

Percentage Of Online Ads That Are Relevant To Your Wants Or Needs?



BASE: Total Qualified Respondents (n=1004)

Q755 What percentage of ads that you see while browsing online are relevant to your wants and needs?.



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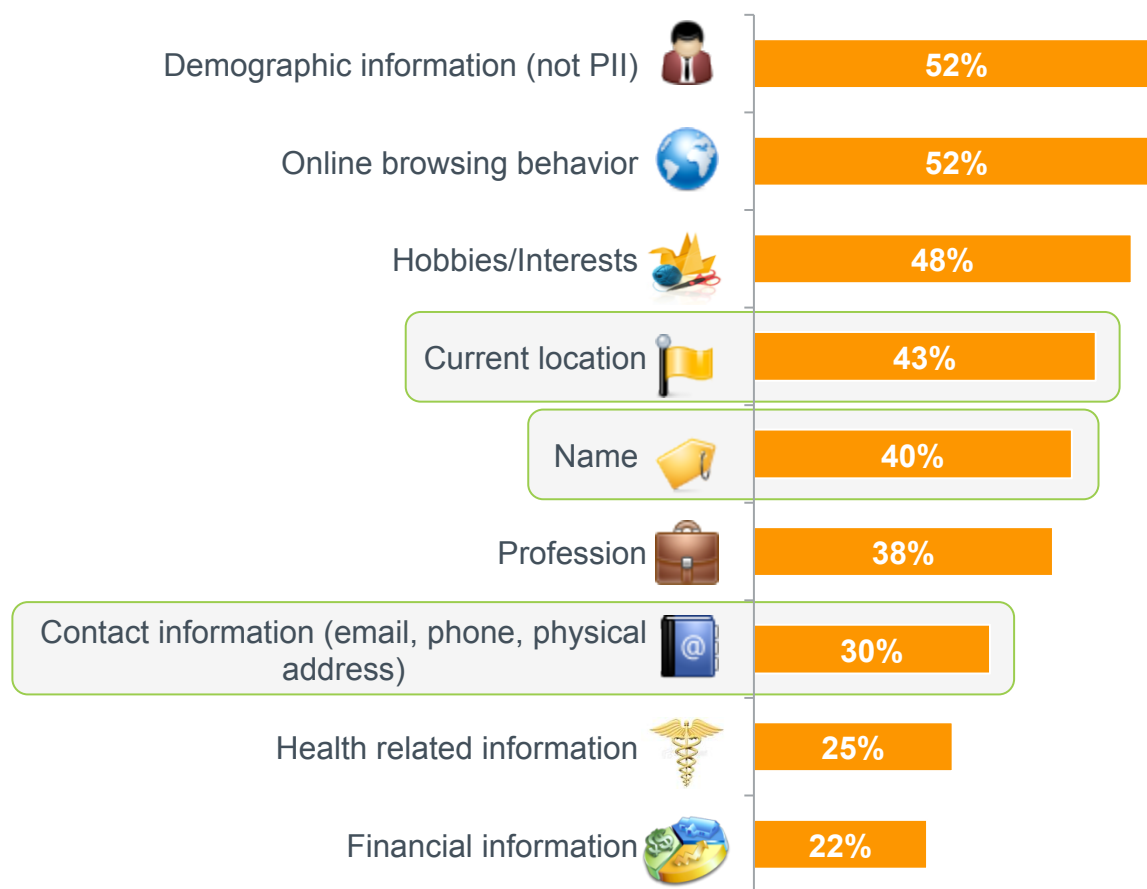
Part 3: How Do Consumer Beliefs About Privacy and OBA Impact Trust?





Over 30% Believe Personal Identifying Info (PII) Is Shared With Advertisers Without Their Consent

Types of Info Consumers Believe Websites Share Without Consent



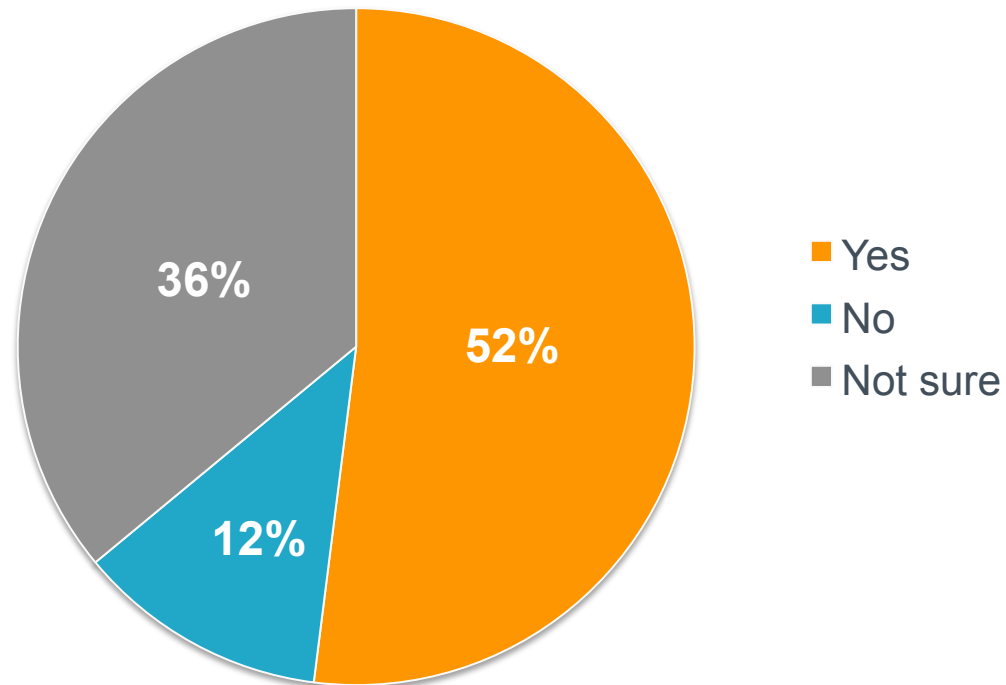
BASE: Total Qualified Respondents (n=1004)

Q736 Which, if any, of the following types of information do you believe sites that you are registered with (e.g. Facebook, Google, Microsoft Live, Yahoo) share with advertisers?



More Than Half Believe Their PII Is Tied To Behavioral Advertising

Believe PII Is Attached To Tracking Activity

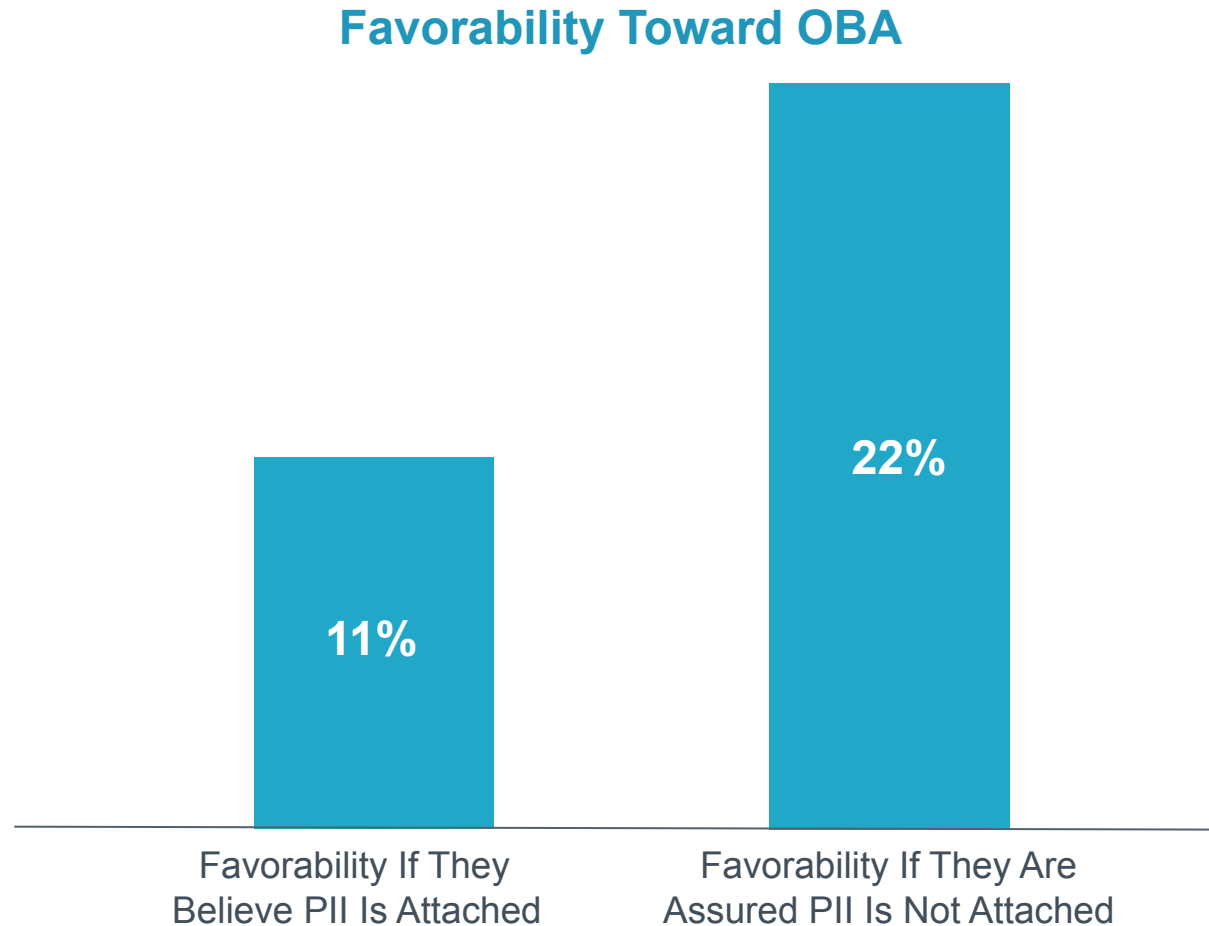


BASE: Total Qualified Respondents (n=1004)

Q720 Do you believe that personally identifiable information (such as your name or email address, etc.) is attached to this tracking activity?



Favorability Toward OBA Increases 100% If Consumers Are Assured PII Is Not Involved



BASE: Total Qualified Respondents (n=522)

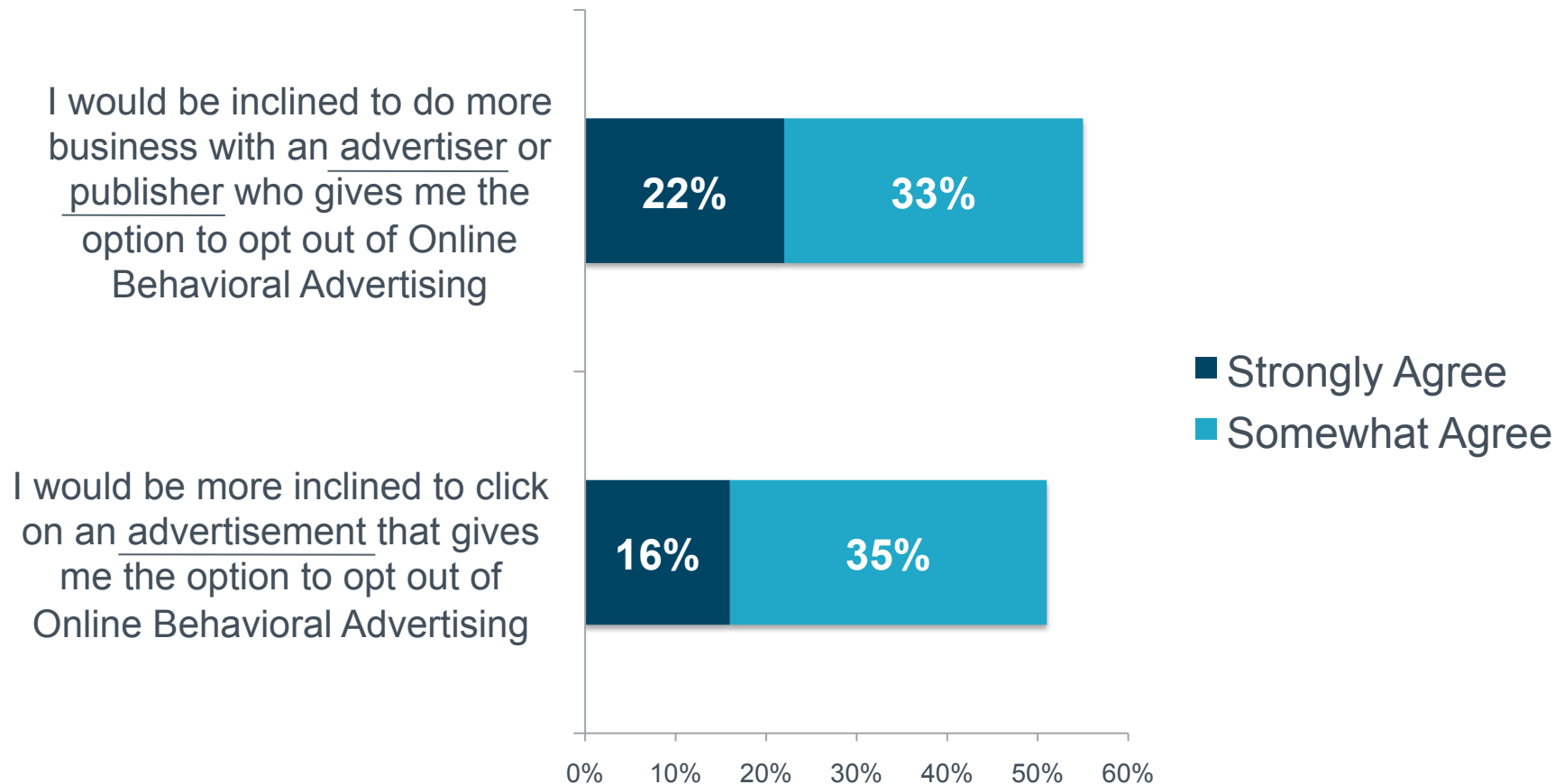
Q715 How do you feel about Online Behavioral Advertising as described above?

Q725 If the browsing information advertisers track with Online Behavioral Advertising was not linked to your personal information (such as your name or email address, etc.), then how would you feel about Online Behavioral Advertising?



Consumers Are Favorable To Enhanced Choice - It Improves Engagement Levels

Agreement With Statements Related To Online Advertising



BASE: Total Qualified Respondents (n=1004)

Q751 Please indicate the degree to which you agree or disagree with each of the following statements related to online advertising.



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AdChoices 

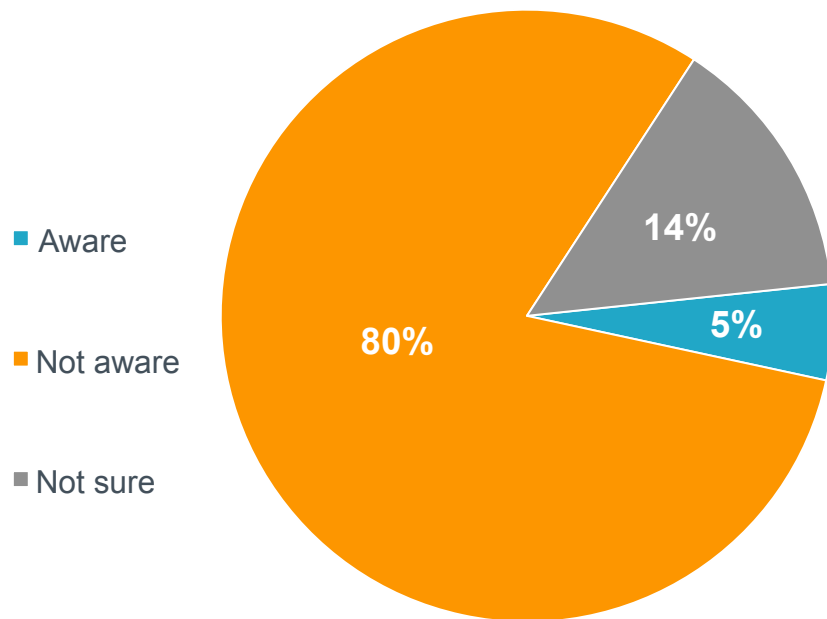
Part 4: What Impact Is The DAA Program Having On Consumer Perceptions?



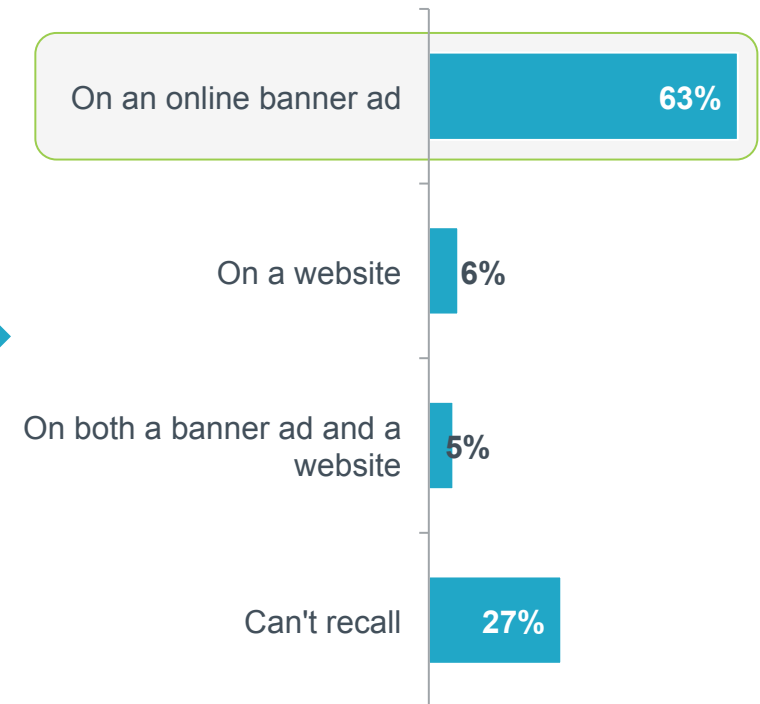
Despite Its Recent Launch 5% Recall Seeing The Advertising Option Icon

AdChoices 

Awareness



Source of Awareness



BASE: Total Qualified Respondents (n=1004)

Q910 Have you seen either of the following icons or symbols online?

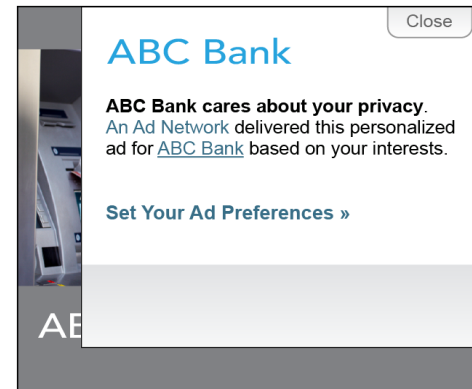
BASE: Have Seen Forward I Icon (n=32)

Q915 Where did you see this icon?

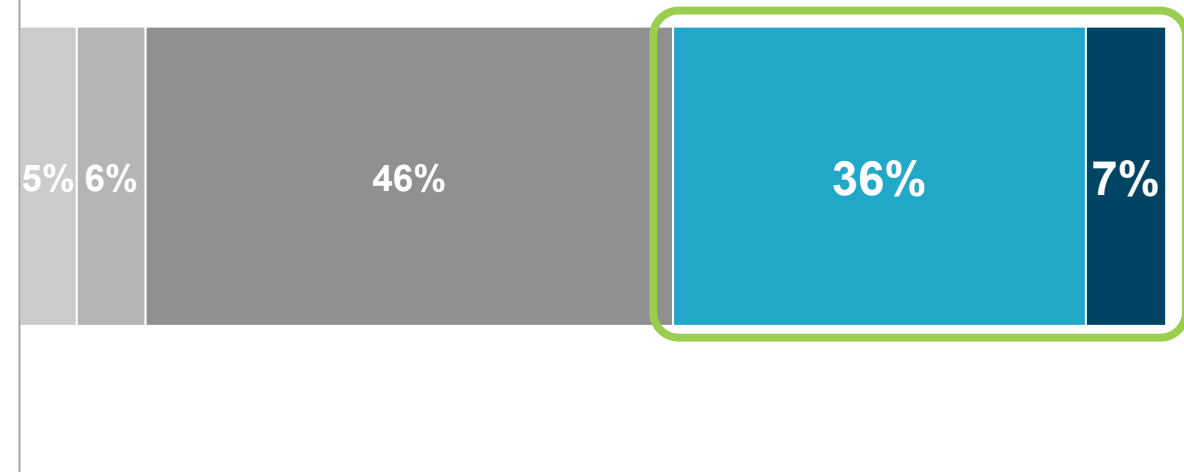


43% Of Consumers Are More Positive Towards Advertisers If Presented With The DAA Program

How does having this information make you feel about the advertiser?



Among Those Exposed To Unbranded Concept (n=502)



■ Much Less Positive ■ Somewhat Less Positive ■ No Impact ■ Somewhat More Positive ■ Much More Positive

BASE: Total Qualified Respondents

Q935/Q950 And, how does having this information available make you feel about the advertiser?



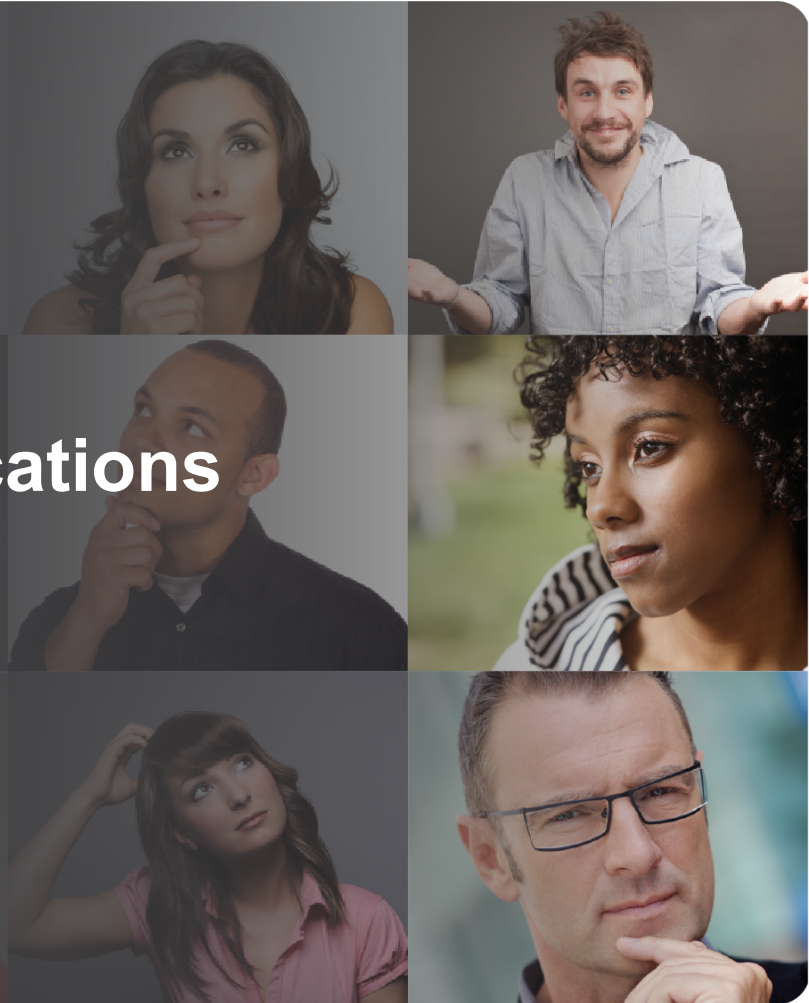
Research Summary

1. Privacy is important
2. Consumers look to themselves most to safeguard their privacy and claim they use tools to protect themselves
3. They are wary of behavioral advertising/tracking/targeting
4. They recognize they are getting more relevant ads
5. Many believe PII is shared with advertisers
6. However, if they are assured PII is not used, favorability towards behavioral advertising increases 100%
7. DAA self-regulation significantly increases consumer favorability towards behavioral advertising, advertisers, and publishers



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Part 5: Research Implications





Implications and Next Steps

1. Respect consumer privacy and educate them about your privacy practices
2. Offer tools to help consumers protect themselves
3. Do not share personally identifiable information and sensitive data about your users without consent – make these practices clear to consumers
7. Join the DAA Self Regulatory Program to enhance consumer education and favorability toward OBA
8. Don't stop at your website and advertisements – consider your mobile apps too
9. Live up to your privacy commitments so as to avoid unfavorable press or investigations



TRUSTe Can Help

- **TRUSTe for your DAA Compliance program:**
 - Consumers are more trusting when a well-known and trusted privacy brand like TRUSTe powers DAA compliance
- **TRUSTe web, mobile, cloud privacy seal programs:**
 - Help convey your commitment to responsible privacy practices, especially in regard to data sharing practices with advertisers
- **Next:**
 - TRUSTe will continue its commitment to consumer research on behavioral advertising and other privacy issues