

Direct Marketing Association Research: Privacy Concerns Related to Distance Shopping



WIRTHLIN WORLDWIDE

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May 8, 2001

Research Summary

- **Concerns about privacy are confused with, and driven by, concerns about the security of information.**
 - **Feelings of curiosity, apprehension, and uncertainty result in a sense of caution and negative emotions of fear.**
- **Levels of comfort vary based upon type of personal information requested (most sensitive information includes: Children's Information, Financial and Medical Information).**
- **Technology solutions enhance comfort.**
- **Consumers prefer a collaborative effort between Industry and Government.**



Primary Research Objectives

- **Identify industry's equities and disequities.**
- **Determine dimensions of privacy that drive Americans' decision-making process.**
- **Develop survey questions based on the findings from the qualitative research program.**



Qualitative Research Background

- Phase 1 (March 2000) – 4 Mini-Focus Groups (3-6 participants) designed to uncover initial impressions of the public's attitudes towards privacy issues.
- Phase 2 (March 2000) – 85 in-depth one-on-one values-based laddering interviews designed to provide a thorough, in-depth understanding of the general public's attitudes about privacy issues by uncovering respondent's perceptions of the direct marketing industry at four levels of abstraction: attributes, functional consequences, psycho-social consequences and values.
 - Attributes are characteristics of a candidate, product, company, or industry.
 - Functional Consequences are the reasons why the attributes are important; benefits derived as a result of the attributes.
 - Psycho-social Consequences are the emotional sensations and results that are derived from these benefits.
 - Values are stable, enduring personal goals that motivate the consumer at an emotional level to make certain choices.



Quantitative Survey

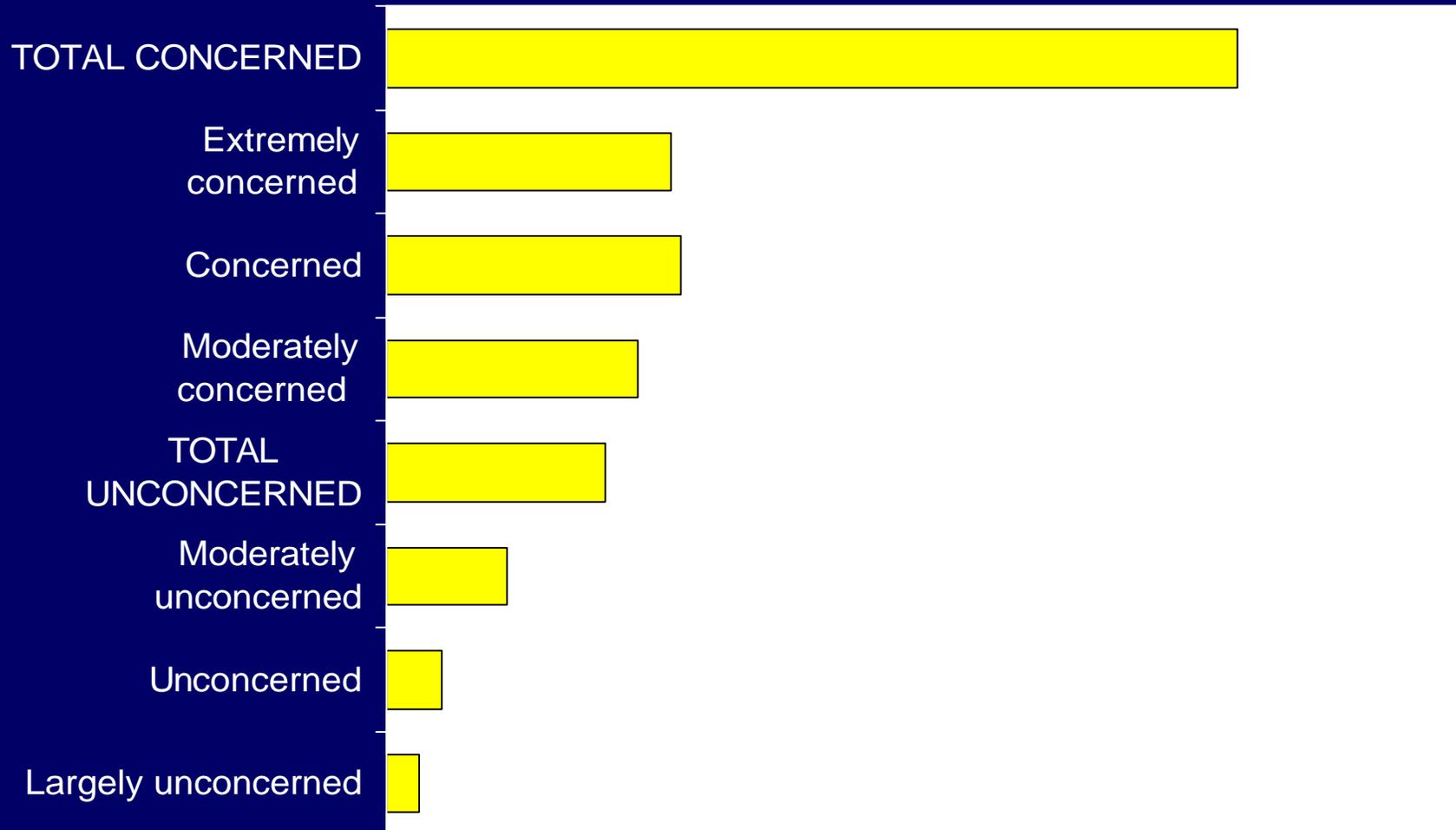


Survey Methodology

- Total sample size of 617 Adult Americans. Screened for respondents over the age of 18.
- Field dates: May 2-3, 2001.
- Data weighted by Education, Race, and Region.
- Margin of error for a sample size of 617 is ± 3.9 percentage points.



Concern Over Providing Personal Information



Now please tell me how concerned or worried you are about providing personal information to a business for the purposes of receiving information or purchasing a product or service? Are you



Importance of Different Factors in Deciding Whether to Purchase From a Specific Catalog

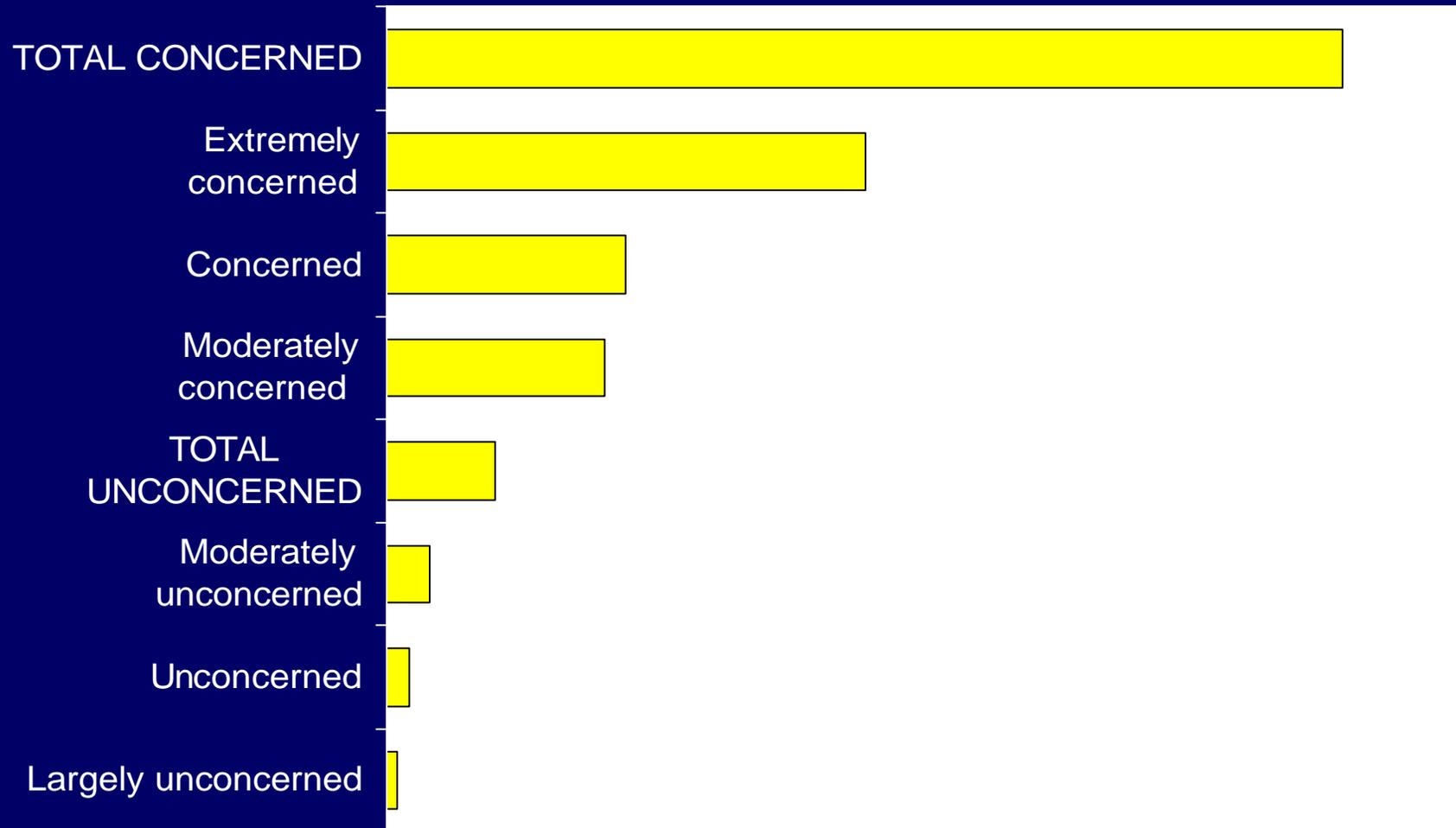


% Top 3 Box (8, 9, 10)
On a 10 point scale; 1=not important at all,
10=extremely important

- The quality of the merchandise is the most important factor in the decision to purchase from a specific catalog. This is followed by money back guarantees and offering competitive prices.
- The only factor considered important by less than half of catalog purchasers is the availability of alternative delivery options.
 - ◆ Nonetheless, concerns regarding providing credit card and personal information are also less critical than most other factors.



Concern About Providing Personal Information Over The Internet (Internet Users Only)

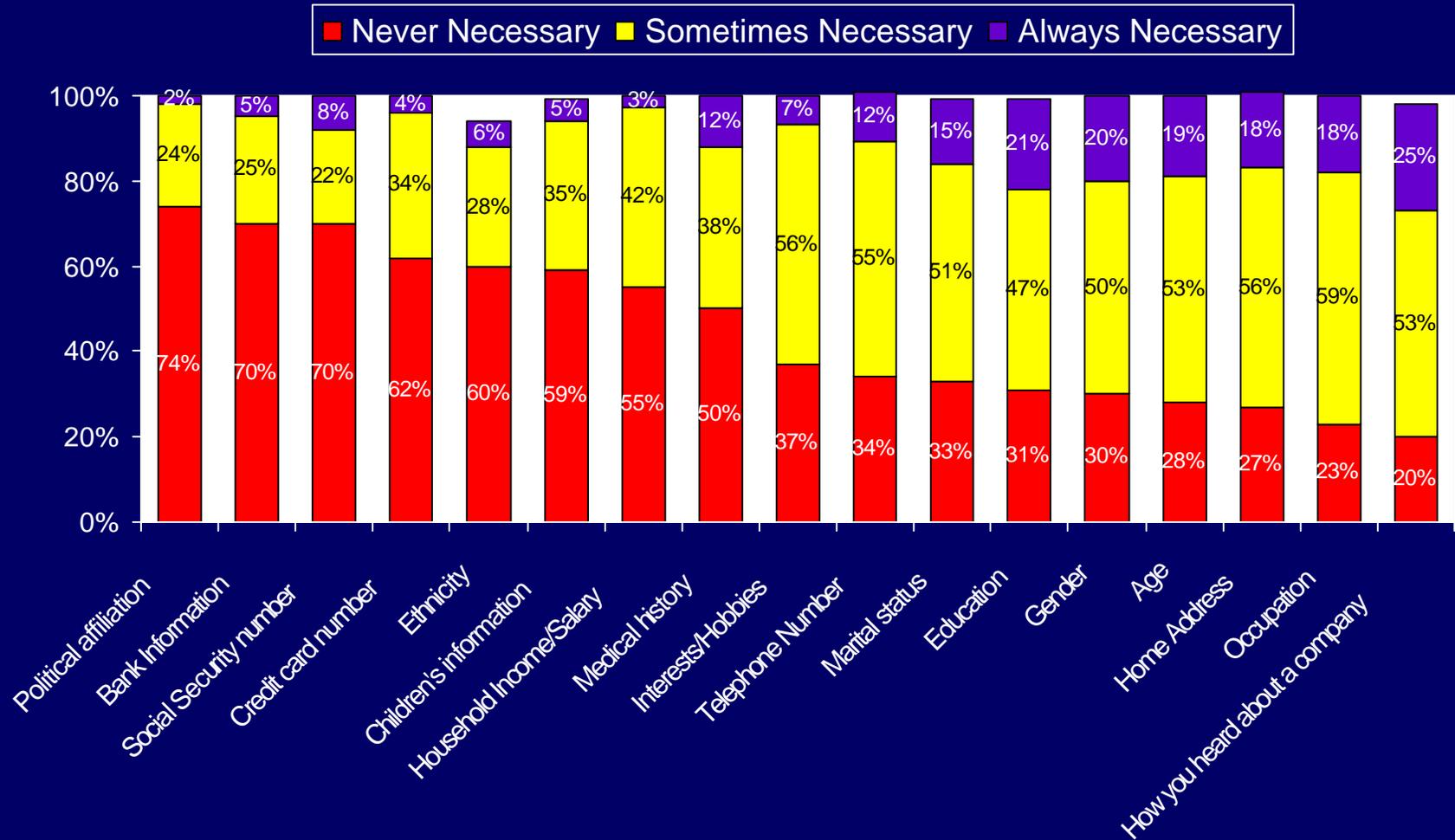


Thinking specifically about the Internet, how concerned are you about providing personal information across the Internet for a transaction? Are you ...



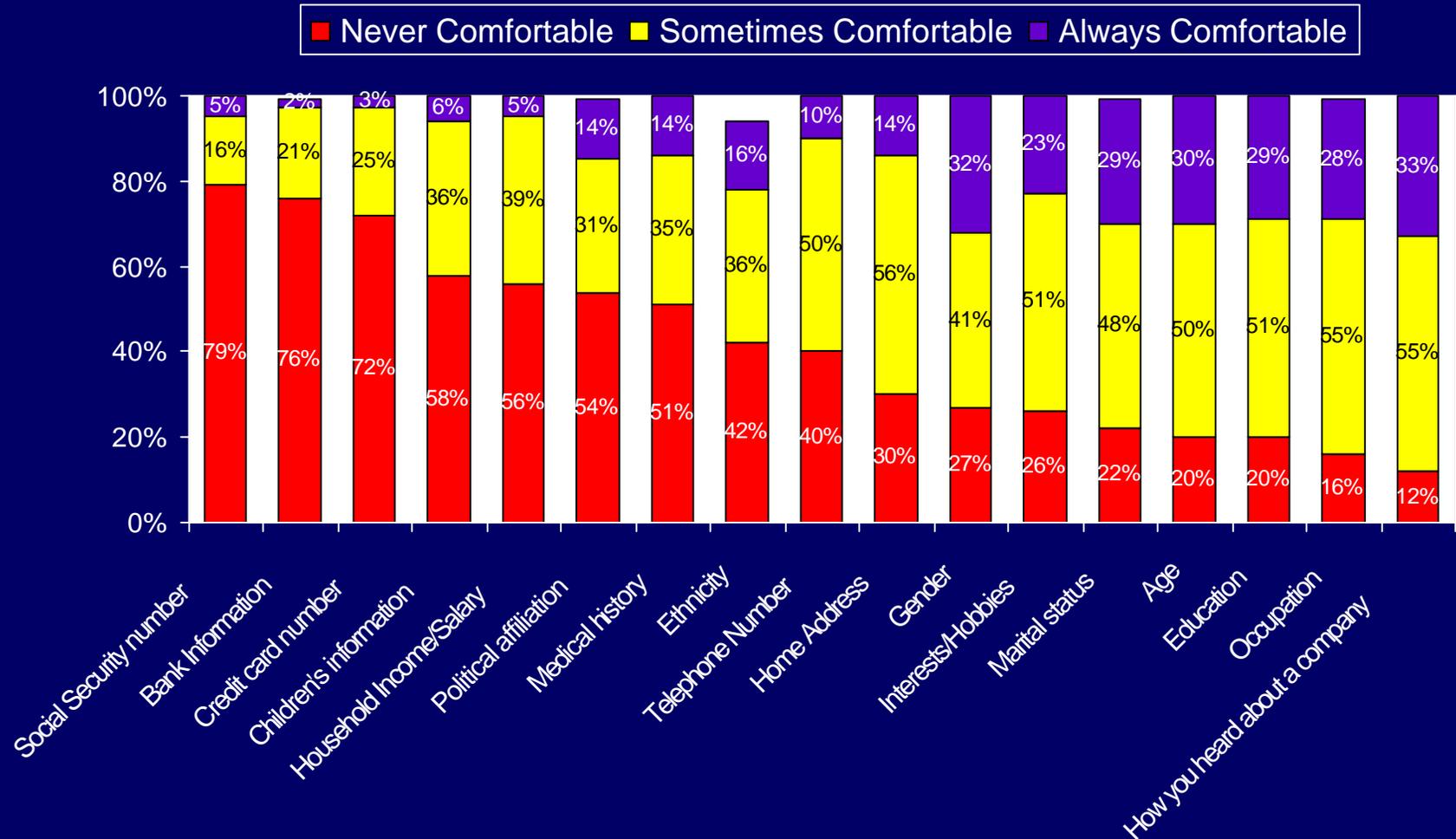
Providing Information- Necessary

Next, I am going to describe for you several pieces of personal information that are sometimes asked for by companies. After I read each item, please tell me if you feel it is “always necessary” that you provide this information to companies, if you feel it is “sometimes necessary” that you provide this information to companies, or if you feel it is “never necessary” to provide this information to companies.

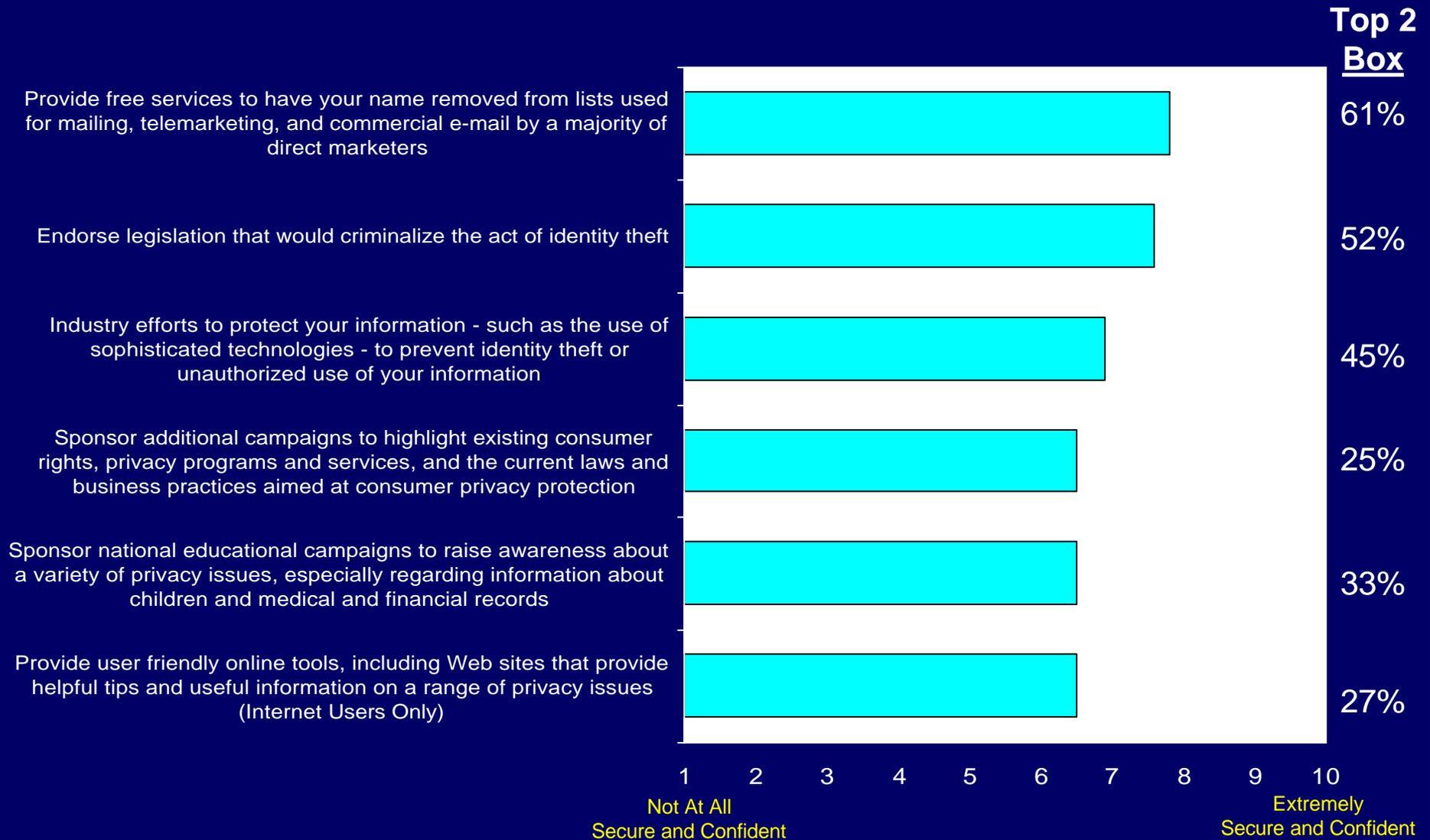


Providing Information- Comfort

Next, using the same list of items, I would like to ask you how comfortable you feel providing personal information to companies. After I read each item, please tell me if you “always feel comfortable” providing this information to companies, if you “sometimes feel comfortable” providing this information to companies, or if you “never feel comfortable” providing this information to companies.



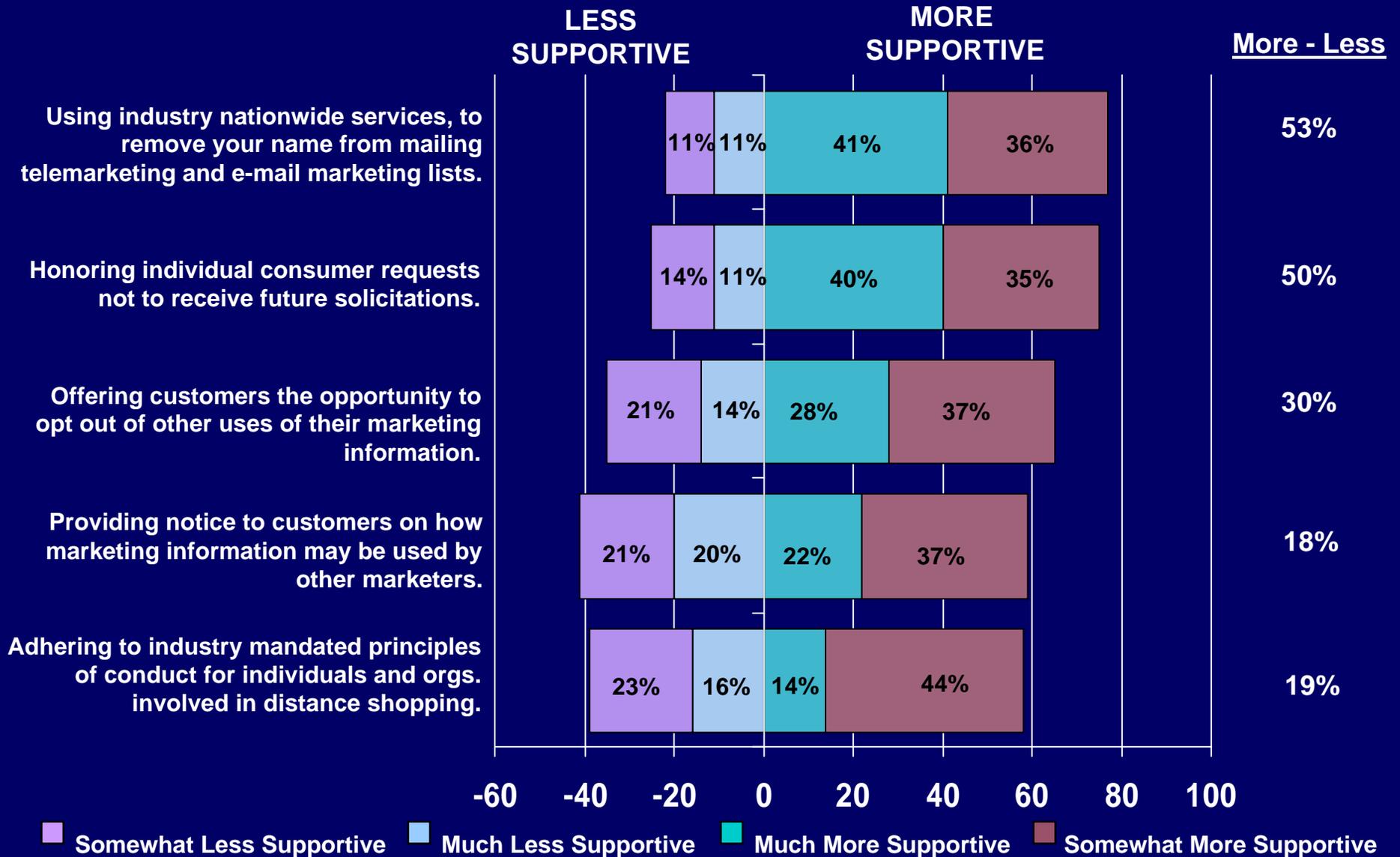
Measures to Increase Security & Confidence



Next, I am going to read you some things that companies are already doing to help safeguard your personal information. For each one that I mention, please tell me how secure and confident it would make you feel about sharing your personal information for transactions or for information about a product or service. Please use a scale of 1 to 10 where 1 means it would Not At All make you feel secure and confident and 10 means it would make you feel extremely secure and confident.



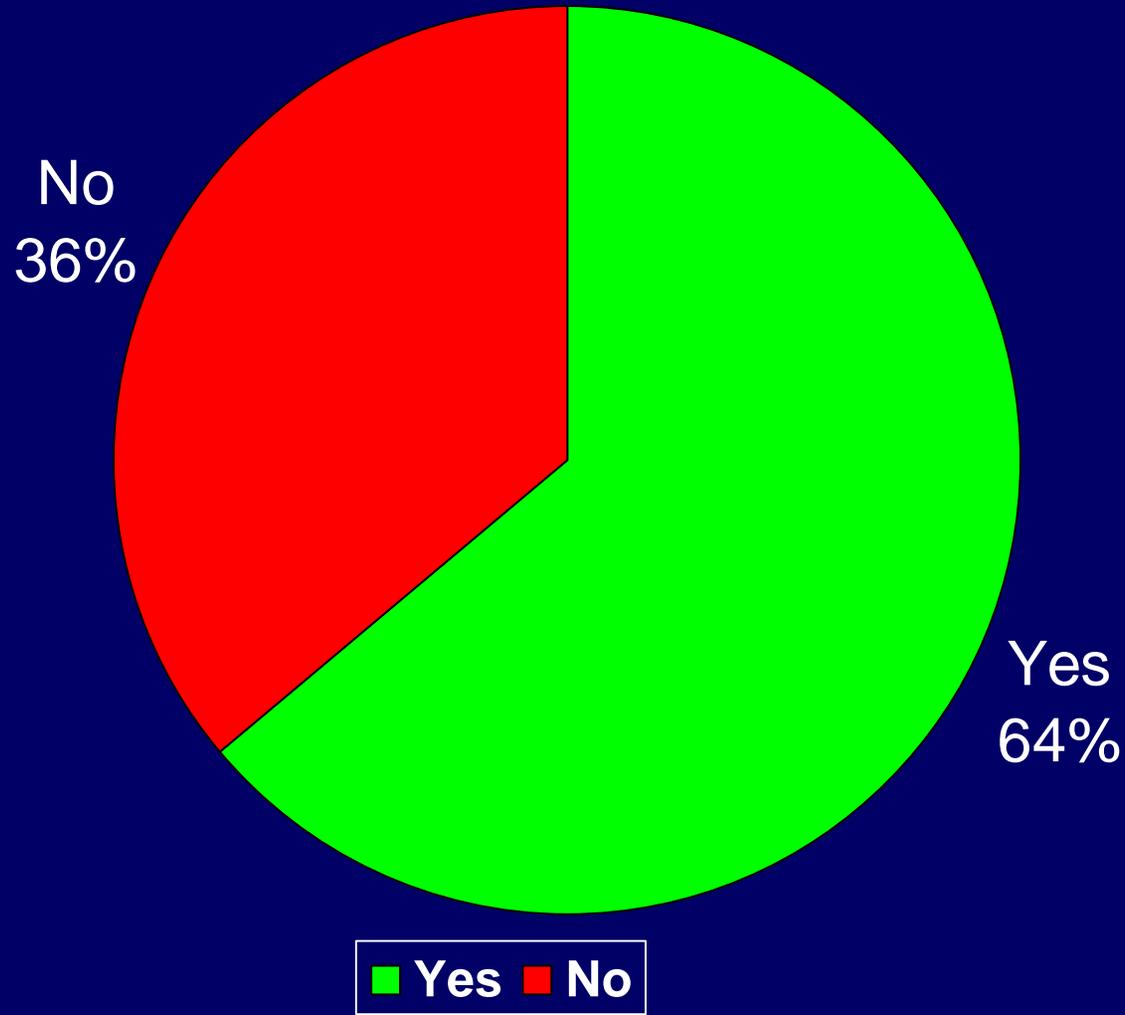
Support for Industry as a Result of Proposed Measures



Recently, some major firms have adopted several self-regulating policies concerning the collection, use, storage and exchange of personal information. I am going to read you some of the policies that are currently in effect, after I read each one, please let me know if it makes you more or less supportive of allowing industry to address the issues of the collection, use, storage and exchange of personal information without government interaction.

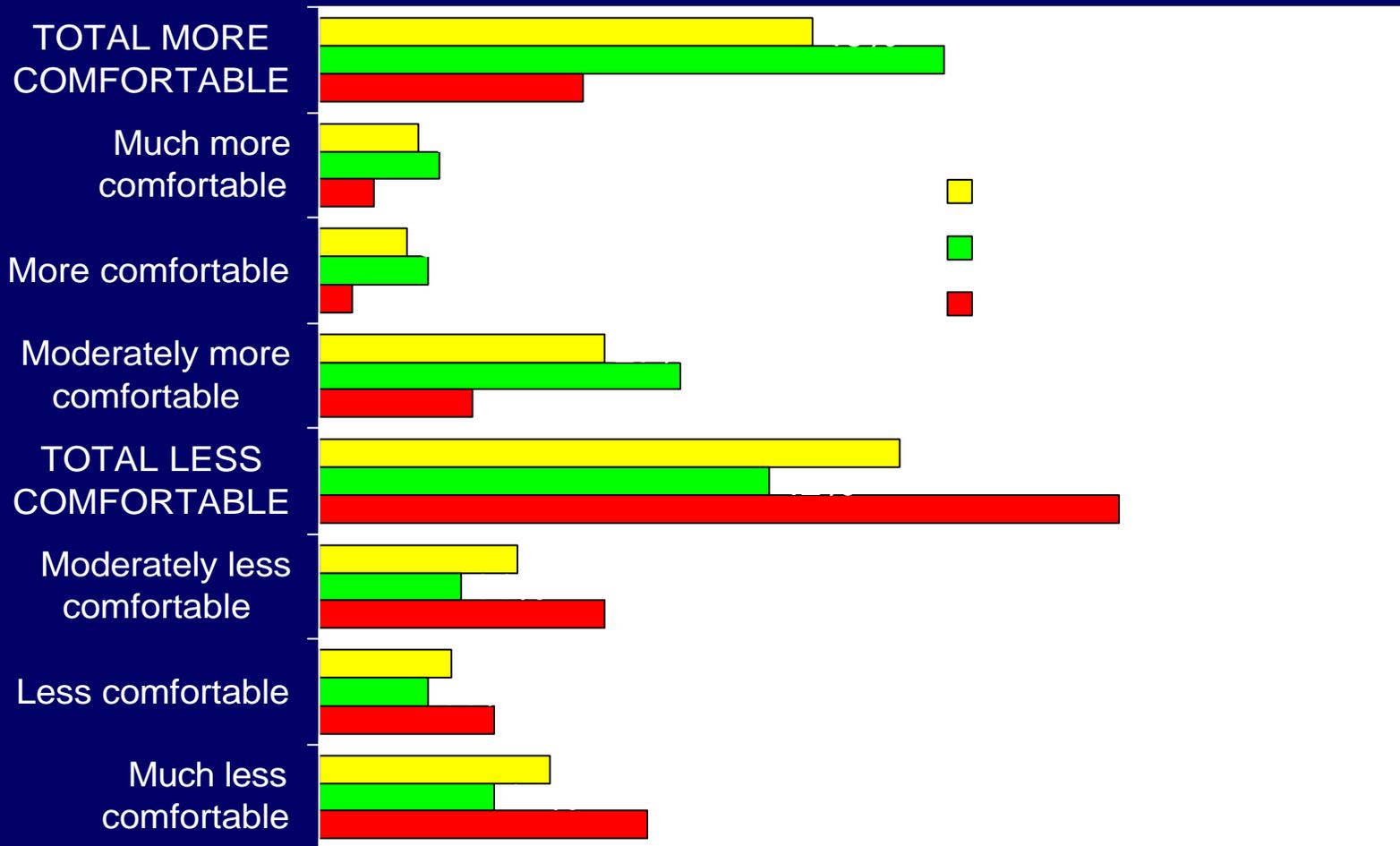
Awareness Concerning Companies Requirement To Honor Requests Not To Share Personal Information With Others

Are you aware that companies are required to honor your request that personal information is not shared with others?



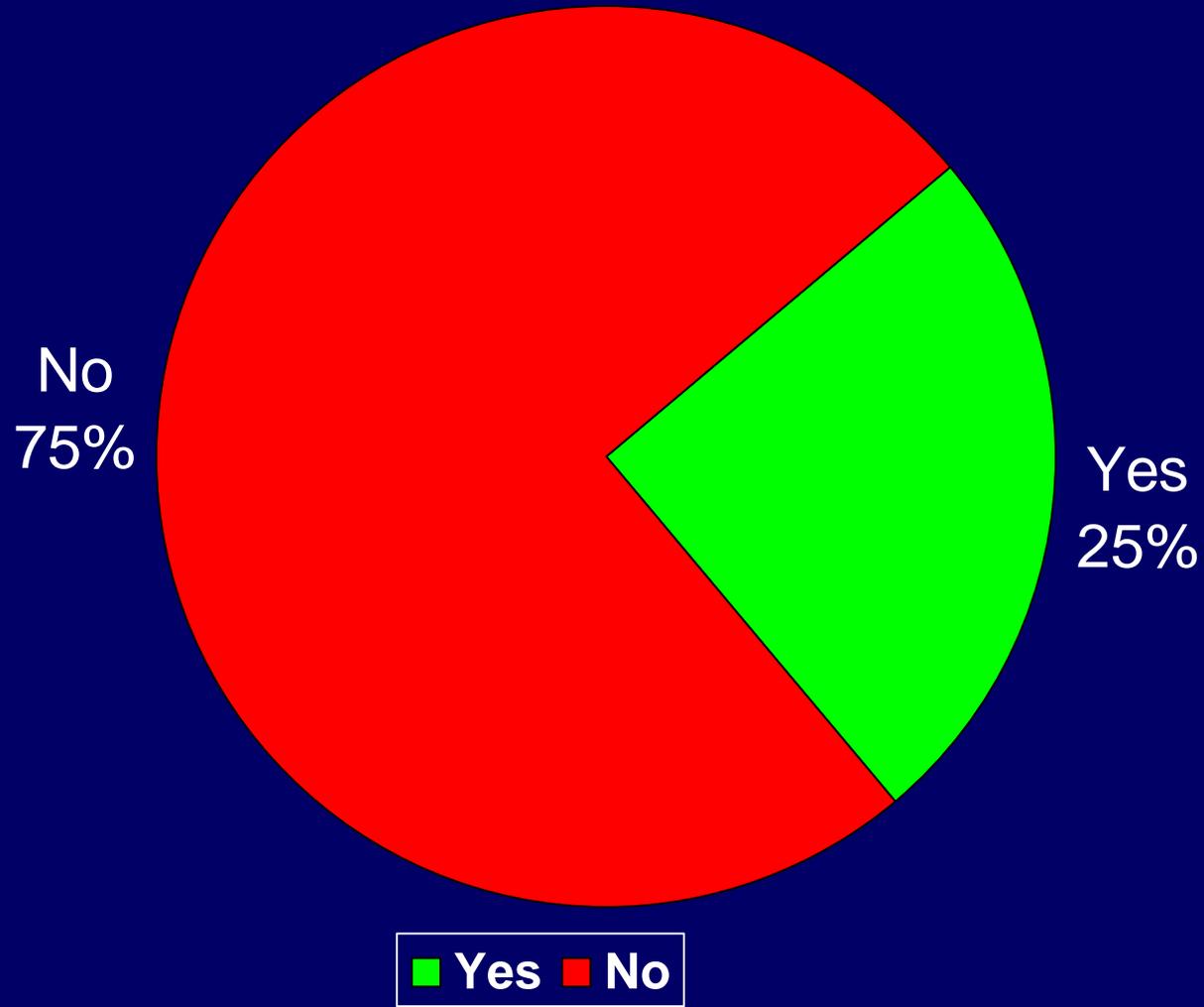
Comfort Levels Knowing Companies Must Honor Requests that Personal Information is Not Shared With Others

Knowing this, how comfortable do you feel about sharing your personal information for transactions or to receive information on products or services?

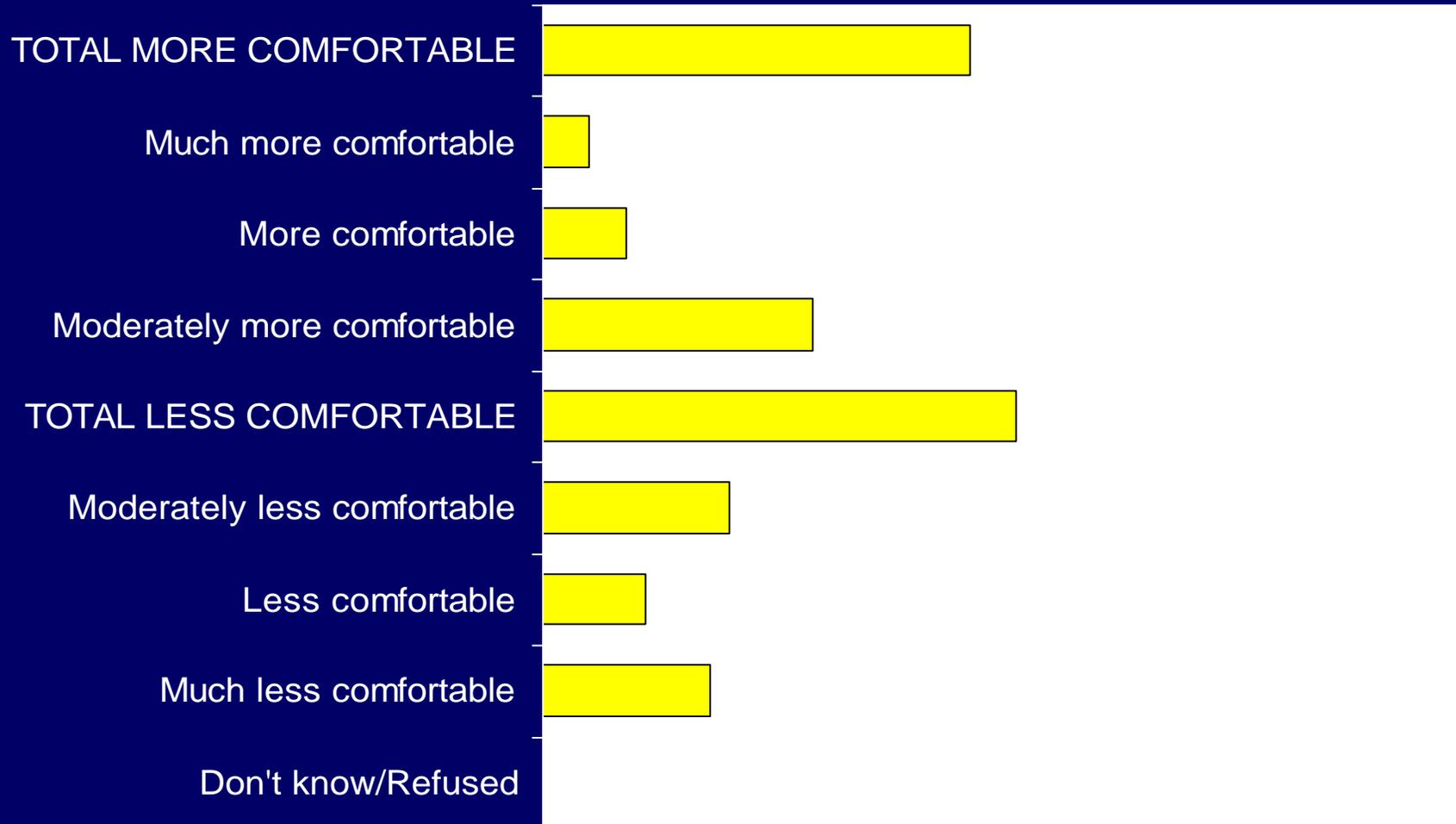


Knowledge About Requesting Personal Information Is Not Shared With Others

Do you know how to go about requesting that personal information is not shared with others?



Comfort Level With Industry Using Their Technological Know How to Ensure Good Privacy Standards are Adopted



Businesses have the financial incentive and the technological know how to ensure that good privacy standards are adopted without government intervention.

Knowing this, how comfortable do you feel about sharing your personal information for transactions or to receive information on products or services?



Sample Characteristics

N=617

Gender:

Male	48%
Female	52%

Income:

Less than \$15,000	11%
\$15,000 to less than \$30,000	21%
\$30,000 to less than \$45,000	17%
\$45,000 to less than \$60,000	14%
\$60,000 to less than \$75,000	5%
\$75,000 to less than \$100,000	7%
Greater than \$100,000	5%

Internet Access:

Yes	63%
No	37%



Sample Characteristics

N=617

Age Category:

18 - 20	7%
21 - 24	10%
25 - 34	15%
35 - 44	20%
45 - 54	16%
55 - 64	13%
65 +	19%

Education Level Completed:

Some High School	22%
High School Graduate	29%
Trade / Vocational Graduate	8%
Some College	19%
College Graduate	12%
Post Graduate	8%

