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

- **2008**: TRUSTe conducts first OBA consumer survey
- **2009**: TRUSTe issues OBA best practices checklist
- **2009**: TRUSTe conducts second OBA consumer survey
- **2010**: TRUSTe launches OBA self-reg pilot with Comcast & Publisher’s Clearing House
- **2010**: TRUSTe launches TRUSTed Ads OBA self-reg platform
- **2011**: Monthly compliant impressions for TRUSTed Ads surpasses 10 billion
- **2011**: TRUSTe launches EU OBA self-reg implementations
- **2011**: TRUSTe announces DAA-approval of TRUSTed Ads compliance platform
- **2011**: TRUSTe conducts third OBA consumer survey
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

• 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 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.

For more information, please visit: www.harrisinteractive.com
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:
Part I: 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 5: Research Implications
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

- The internet is a well-regulated and safe place to interact with people and conduct business (13%)
- The internet is not well-regulated and naive users can easily be taken advantage of (75%)
- Don't know (12%)

Consistently High since 2008

BASE: Total Qualified Respondents (n=1004)
Q845: Which of the following views is closest to your own?
94% Of Consumers Consider Online Privacy Important

The importance of online privacy has remained steady since 2008!

A really important issue that I think about often
A somewhat important issue that I think about sometimes
Not much of an issue/ I hardly ever think about it

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?
### Responsibility of Different Groups In Protecting An Individual’s Online Privacy

<table>
<thead>
<tr>
<th>Group</th>
<th>Wholly Responsible</th>
<th>A Lot Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals themselves</td>
<td>45%</td>
<td>36%</td>
</tr>
<tr>
<td>Social networks (e.g. Facebook, Twitter)</td>
<td>34%</td>
<td>44%</td>
</tr>
<tr>
<td>Website owners and publishers (e.g., CNN.com, NYTimes.com, etc.)</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>Search Engines (e.g. Yahoo, Bing, Google)</td>
<td>31%</td>
<td>40%</td>
</tr>
<tr>
<td>Manufacturers of browsers and other online software</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>(e.g. Internet Explorer, Safari, Firefox, Chrome)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online advertising networks</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>Internet Service Providers (ISPs) (e.g. Comcast, ATT)</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Independent privacy certification organizations/self regulatory organizations</td>
<td>27%</td>
<td>38%</td>
</tr>
<tr>
<td>Online advertisers</td>
<td>31%</td>
<td>39%</td>
</tr>
<tr>
<td>Government through legislation or regulation</td>
<td>28%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**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?

- Individuals themselves: 45%
- ISPs: 12%
- Self-regulatory programs: 10%
- Browsers: 10%
- Government/Regulation: 9%
- Search Engines: 6%
- Websites / Publishers: 3%
- Online advertisers and ad networks: 2%

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

- Regularly use security software: 79%
- Regularly delete browser cookies/caches/history: 40%
- Regularly change passwords on sensitive accounts: 27%
- Regularly opt-out of online tracking: 25%

BASE: Total Qualified Respondents (n=1004)
Q810  And how often do you…?
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?**

- Yes: 77%
- No: 23%

**Have you ever downloaded and used a tracking blocker product?**

- Yes: 81%
- No: 19%

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.
### Types of Information Consumers Would Not Consent To Sharing With Advertisers

<table>
<thead>
<tr>
<th>Type of Information</th>
<th>Definitely Would Not Consent</th>
<th>Probably Would Not Consent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial information</td>
<td>66%</td>
<td>14%</td>
</tr>
<tr>
<td>Contact information (email, phone, physical address)</td>
<td>49%</td>
<td>22%</td>
</tr>
<tr>
<td>Health related information</td>
<td>52%</td>
<td>18%</td>
</tr>
<tr>
<td>Current location</td>
<td>46%</td>
<td>20%</td>
</tr>
<tr>
<td>Name</td>
<td>45%</td>
<td>19%</td>
</tr>
<tr>
<td>Online browsing behavior</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Profession</td>
<td>32%</td>
<td>19%</td>
</tr>
<tr>
<td>Demographic information (not PII)</td>
<td>27%</td>
<td>15%</td>
</tr>
<tr>
<td>Hobbies/Interests</td>
<td>26%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**BASE:** Total Qualified Respondents (n=1004)

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

- Internet cookies: 84%
- Interest-based advertising: 66%
- Online tracking: 65%
- Behavioral targeting: 42%
- Location-based tracking and advertising: 41%
- Online advertising networks: 40%
- Online behavioral advertising: 35%
- Do not track: 30%

BASE: Total Qualified Respondents (n=1004)
Q701 Are you familiar with each of the following terms?
“Tracking” And “Targeting” Are Unfavorable Terms, “Interest-based Advertising” Is More Favorable

<table>
<thead>
<tr>
<th>Term</th>
<th>Strongly Negative</th>
<th>Somewhat Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online tracking</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Internet cookies</td>
<td>23%</td>
<td>30%</td>
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<tr>
<td>Behavioral targeting</td>
<td>20%</td>
<td>27%</td>
</tr>
<tr>
<td>Online behavioral advertising</td>
<td>17%</td>
<td>26%</td>
</tr>
<tr>
<td>Location-based tracking and advertising</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Online advertising networks</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Interest-based advertising</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Do not track</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

- Tracking for security / fraud protection: 10% Definitely Would Consent, 32% Probably Would Consent
- Tracking for analytics (to help websites improve their content and usability): 4% Definitely Would Consent, 18% Probably Would Consent
- Tracking of my online browsing behavior to show ads that are more relevant to me: 2% Definitely Would Consent, 13% Probably Would Consent

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

- 70% Aware
- 30% Not aware

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

- Do Not Like It: 8%
- Neutral: 38%
- Like It: 54%

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?

- Yes: 37%
- No: 44%
- Not sure: 19%

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*

<table>
<thead>
<tr>
<th>Year</th>
<th>Comfort Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>24%</td>
</tr>
<tr>
<td>2009</td>
<td>28%</td>
</tr>
<tr>
<td>2011</td>
<td>32%</td>
</tr>
</tbody>
</table>

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?

- 2008: 1% (1-25%), 2% (26-50%), 9% (51-75%), 12% (76-100%)
- 2009: 1% (1-25%), 1% (26-50%), 4% (51-75%), 11% (76-100%)
- 2011: 1% (1-25%), 8% (26-50%), 23% (51-75%), 32% (76-100%)

BASE: Total Qualified Respondents (n=1004)
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

- Demographic information (not PII): 52%
- Online browsing behavior: 52%
- Hobbies/Interests: 48%
- Current location: 43%
- Name: 40%
- Profession: 38%
- Contact information (email, phone, physical address): 30%
- Health related information: 25%
- Financial information: 22%

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

- Yes: 52%
- No: 36%
- Not sure: 12%

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

Favorability Toward OBA

<table>
<thead>
<tr>
<th>Favorability If They Believe PII Is Attached</th>
<th>Favorability If They Are Assured PII Is Not Attached</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>22%</td>
</tr>
</tbody>
</table>

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

I would be inclined to do more business with an advertiser or publisher who gives me the option to opt out of Online Behavioral Advertising

- Strongly Agree: 22%
- Somewhat Agree: 33%

I would be more inclined to click on an advertisement that gives me the option to opt out of Online Behavioral Advertising

- Strongly Agree: 16%
- Somewhat Agree: 35%

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

Awareness

Aware: 80%
Not aware: 14%
Not sure: 5%

Source of Awareness

- On an online banner ad: 63%
- On a website: 6%
- On both a banner ad and a website: 5%
- Can’t recall: 27%

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: 5%
- Somewhat Less Positive: 6%
- No Impact: 46%
- Somewhat More Positive: 36%
- Much More Positive: 7%

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
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
4. Join the DAA Self Regulatory Program to enhance consumer education and favorability toward OBA
5. Don’t stop at your website and advertisements – consider your mobile apps too
6. 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