

2007 MOST TRUSTED COMPANIES FOR PRIVACY AWARD[©]

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Research independently conducted by Ponemon Institute, LLC

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TRUSTe
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2007 MOST TRUSTED COMPANIES FOR PRIVACY©

What organizations do U.S. consumers trust most for privacy? What are organizations doing to earn the image as a trusted enterprise? We are pleased to present the results of our third annual Most Trusted Companies for Privacy Awards. In March 2007 more than 7,000 consumers were surveyed by the Ponemon Institute to tell us which companies they trust to protect the privacy of their personal information.

Since privacy best practices are not always understood or easily observed by consumers, we applied thirteen objective criteria to the top ranked companies and provided the results as follows.

Throughout 2007, TRUSTe and the Ponemon Institute then observed the online privacy practices, and company responsiveness to customer privacy questions and choices of the top 22 companies trusted by consumers, and ranked them on a total scale of 32 points. In 2007 we are pleased to announce that HP, Intuit and AOL ranked among the top three companies for privacy - trusted by consumers and trusted by experts.

Table 1 Most Trusted Companies for Privacy Expert Review December 2007	Website Criteria	Secret Shopper Total	Final Score	Ranking
HP	25	4	29	1
Intuit/TurboTax	24	5	29	1
AOL	25	2	27	2
eBay	24	0	24	3
Procter & Gamble	21	3	24	3
Disney	20	2	22	4
Nationwide	19	3	22	4
US Bank	18	4	22	4
American Express	18	3	21	5
eLoan	18	3	21	5
WebMD	18	3	21	5
USAA	18	2	20	6
Amazon	15	5	20	6
IBM	19	0	19	7
Charles Schwab	14	5	19	7
Weight Watchers	18	0	18	8
USPS	12	5	17	9
Bank of America	16	0	16	10
Dell	16	0	16	10
Countrywide	13	0	13	11
Google	13	0	13	11
Johnson & Johnson	5	1	6	12



Table 2 Most Trusted Companies for Privacy Consumer Survey Results March 2007	2007 Ranking	2006 Ranking	2005 Ranking
American Express	1	1	2
Charles Schwab	2	12	NR
IBM	3	8	7
AOL	4	6	NR
Amazon	5	2	4
Johnson & Johnson (all brands)	6	14	14
US Postal Service	7	7	6
eBay	8	5	1
Procter & Gamble (all brands)	9	3	3
Nationwide	9	NR	NR
Google	10	10	NR
E-Loan	11	16	17
WebMD	12	NR	NR
Dell	13	8	10
Countrywide	14	NR	NR
USAA	15	20	NR
Disney	15	20	11
HP	16	4	5
US Bank	17	NR	14
Bank of America	18	NR	12
Intuit (all brands)	19	NR	NR
Weight Watchers	20	13	19

Why is trust important for companies? Based on previous consumer studies conducted by Ponemon Institute, companies perceived as good stewards of personal information are rewarded with a higher degree of customer loyalty and retention. Moreover, our prior studies found that consumers are willing to share more and better data about themselves when they have a trusted relationship with a company that acquires personal information for various legitimate purposes. The better informed a company is about its customers (and target customers), the more likely it is to achieve marketing and revenue goals.



WHAT IS PRIVACY TRUST?

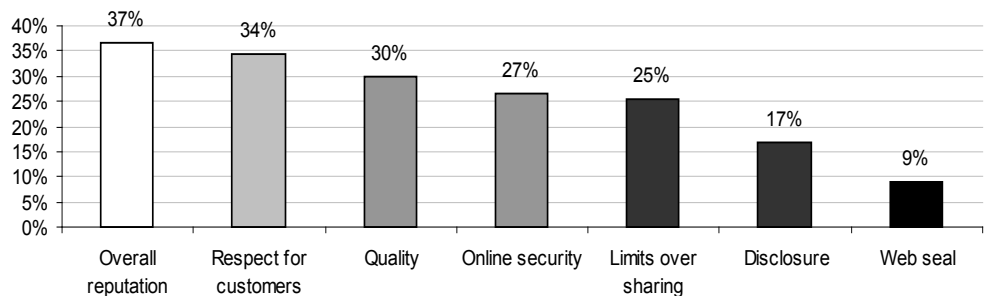
Privacy trust is a process that organizations implement to motivate trust and confidence in how its leaders, employees and contractors (vendors) protect and secure private information about people and their families. Privacy trust requires an organization to ensure that actual practices are aligned with the public's perception about how their personal information is used, shared and retained. The key components of privacy trust include: disclosure and notice, choice or consent, prudent security, access, data minimization and accuracy.

Based on previous consumer studies we have conducted, we have found that consumer perceptions about privacy and trust can be influenced by a number of factors. In fact, the consumer ratings may not reflect at all the actual privacy practices of the company and its good effort to protect the personal information of its customers and employees. Further, what a company does in the area of privacy and data protection can be invisible to the customer until he or she experiences a data breach and seeks redress or has a question that needs to be answered.

TRUSTe reviews hundreds of website privacy practices and privacy statements in the course of any given year. For the Most Trusted Company Awards, TRUSTe and the Ponemon Institute developed a list of the most important 14 criteria that materially impact consumer privacy protections. Each of these criteria further relate to the "privacy trust builders" and "privacy trust eroders" observed in our March survey of individuals as shown in Bar Charts 3 and 4.

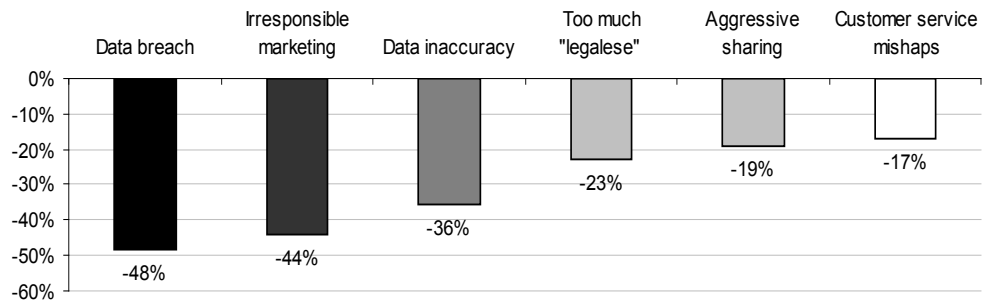
Bar Chart 3 reports the factors determined to be most important for increasing privacy trust scores for the 205 companies rated in this research in ascending order.

Bar Chart 3: Factors Mostly Likely to Increase Privacy Trust Scores



Bar Chart 4 shows the factors determined important for decreasing privacy trust scores.

Bar Chart 4: Factors Mostly Likely to Decrease Privacy Trust Scores



Each percentage in the above graph is the number of respondents who cited this factor as increasing (shown as positive number) or decreasing (shown as a negative number) their level of trust in the 205 different companies rated.

The factors believed to be most important for building privacy trust are: (1) overall reputation of the organizations, (2) respect for customers, (3) quality of products or services, (4) online security and (5) limits over data sharing.

The factors deemed most important for eroding privacy trust are: (1) data breaches, irrelevant or annoying marketing, (2) data inaccuracy, (3) too much legalese in policy or other disclosures and (4) aggressive data sharing (including the sale of customer information).

EXPERT CRITERIA APPLIED TO TOP 20 COMPANIES TRUSTED BY CONSUMERS

TRUSTe reviews the privacy statements and websites of the top 20 companies to determine if consumers can easily understand and exercise their privacy choices.

1. Can consumers easily find notice at the time they need?

- Is the privacy statement linked from the homepage?
- Does privacy statement appear in frame with data collection?
- Is the privacy statement linked from point of data collection?

2. Easy to navigate and read the notice?

- Is there a short notice?
- Is there a navigable table of contents for privacy statement?



3. Provide easy access to account information and ability to change it?

- Is there an account center or online user profile accessible via login which displays information?
- Can the user make changes directly?
- Does the company confirm changes have been made?

4. Can you easily delete or deactivate an account?

- Are explicit instructions provided in the privacy statement?
- Can the user delete or deactivate an account - without sending an email to customer service?

5. What are cookie practices and how are they disclosed?

- Are cookies set on browser?
- Use of cookies not disclosed in the privacy statement?
- Are third party cookies set?
- Use of third party cookies is not disclosed in privacy statement?
- Is there a P3P statement?
- Is information on how to opt-out of third party cookies provided?

6. Choice for sharing in and out of network?

- Is there an explicit promise to not share information at point of collection?
- Is there an explicit promise to not share information in privacy statement?
- Is there sharing for personal information?
- Is it disclosed in privacy statement?
- Is consumer given choice regarding sharing?
- Is opt-in choice provided at point of collection?

7. Does the company participate in self-regulatory frameworks, third party seals with redress, registered with safe harbor, etc.?

- Is there a privacy seal, or EU Safe Harbor certification?
- Is there a security seal present?



8. Have the sites had any breaches or public incidents in past 12 months?

- Has there been a security breach, data loss?
- Has there been a privacy related incident?

9. What is governance structure for privacy?

- Is there a Chief Privacy Officer or designated SVP or C-level executive with authority on privacy?
- Is there a designated privacy manager?
- Is there a CIPP certified staff?

10. Security for transactions and sensitive information?

- SSL on data collection pages?
- Is there a specific security statement?
- Is the login page SSL protected?

11. Does the website provide additional educational information about privacy, security, identity theft or related issues?

Customer Service and Privacy “Secret Shopping”

The Ponemon Institute contacted the Top 20 companies via telephone or email on two occasions in 2007, first in June 2007 and then in December 2007. The researcher asked three questions regarding privacy practices and consumer choice and control derived from the website practices and privacy policies. The companies were rated on three criteria:

12. Response – Did the company respond to the questions?

13. Timeliness – How rapidly did the company respond?

14. Accuracy – Did the response accurately answer the posed questions?

PREVALENCE OF PRACTICES

HP, Intuit and AOL all consistently met or exceeded expectations on our fourteen criteria. Overall, some practices were more prevalent than others. 21 of 22 reviewed companies presented a link to the privacy statement on their homepage. 90% provided SSL on data collection pages. 73% of organizations have a designated chief privacy officer or other senior-level executive charged with data privacy responsibility. Just over half of our surveyed companies provided additional educational information regarding online safety and security.



If you have questions or comments about this research or you would like to obtain additional copies of the document (including permission to quote or reuse this report), please contact by letter, phone call or email:

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Only half of the companies offered what is generally referred to as a “short notice” - a summary of key privacy practices. Only 27% of the Top 22 companies offered an “opt-in” choice at the point of collection for email. Only eight companies, or 32% of our winners, provided explicit instructions in the privacy statement for consumers on how to delete information or deactivate their account.

Although TRUSTe and Ponemon Institute did not include data retention disclosure as a criterion, only a single company in the study, E-Loan, provided a specific statement pertaining to length of data retention.

Ponemon Institute LLC

Advancing Responsible Information Management

Ponemon Institute is dedicated to independent research and education that advances responsible information and privacy management practices within business and government. Our mission is to conduct high quality, empirical studies on critical issues affecting the management and security of sensitive information about people and organizations.

As a member of the Council of American Survey Research Organizations (CASRO), we uphold strict data confidentiality, privacy and ethical research standards. We do not collect any personally identifiable information from individuals (or company identifiable information in our business research). Furthermore, we have strict quality standards to ensure that subjects are not asked extraneous, irrelevant or improper questions.

