Chapter X

Progress in Internet Privacy Policies:
A Review and Survey of U.S. Companies from 1998 through 2006

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Abstract

Privacy on the Internet has been of increasing concern with the explosive growth of electronic commerce. A series of past surveys by the Federal Trade Commission and other organizations measured the implementation of fair information practices and industry self-regulation of privacy. This report includes two important additional factors in the review—enforcement and simplicity. Using historical studies and this more comprehensive analysis, this article reviews the current Internet privacy polices of the 50 largest U.S. companies in 2003 and updates this review for 2006.

Introduction

Privacy in modern times is a difficult proposition. Due to our ever increasing reliance on computers and information technology, it is challenging to maintain privacy

in our business and personal activities. Banks keep track of our purchases through detailed credit card transactions. Grocery stores monitor our cash food purchases through "discount" cards and register scanner databases. Even our Internet activities are monitored by ISP and government officials. Given that privacy is a basic need and that there is a human tendency to invade other's privacy, the government has begun to become more actively involved in studying and legislating information privacy.

This report is a review and analysis of privacy and privacy policies of commercial Web sites as represented by the Fortune 50. First, this report examines the concept of privacy from both historical and recent perspectives. Next privacy regulation (both legislated and self-regulation) as it has evolved for commercial Web sites is briefly reviewed. This includes an analysis of factors used to analyze Web site privacy. Following this is a review of a series of studies by the government and other organizations to determine compliance with and conformance to these privacy factors. The top Fortune 50 Web sites are analyzed to determine current conformance to privacy factors, including several additional factors not previously measured. After the analysis, the implications for privacy are noted.

The goals of this study are as follows:

• Provide a background on Internet privacy.
• Summarize prior Internet privacy studies.
• Update and expand on Internet privacy studies.
• Propose the expanded analysis as a guide for future studies.

Privacy Concept

Warren and Brandeis (1890) described the right to privacy in their seminal Harvard Law Review article as the right to be left alone. Westin (1967) lists four features of privacy that appear in nearly all societies:

• The need for seclusion and isolation at certain times.
• The concept that we are never alone even in solitude.
• The tendency to invade the privacy of others.
• The need for freedom, due to social and technical advancements.

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