



## Chapter 1

# Cyber Shopping and Privacy

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### INTRODUCTION

As we enter a new millennium, we find cyber shopping has become the order of the day. Consumers find it easier to cyber shop than to take time from their schedules to visit malls. One can shop any time depending upon availability of time. Many working couples order the items as they leave from their workplaces and receive deliveries right when they reach home. Some people shop late at night and receive items the very next morning. Cyber shopping is exciting because: 1) one can shop directly from home or the workplace, and 2) the cost of items may be cheaper than the traditional buying. Considering these conveniences, many people prefer cyber shopping. Also, there are very many exciting sites such as E-auction etc. on the Net which otherwise are not available.

Some consumers consider cyber shopping as unsafe. They argue that: 1) giving credit card information on the net may bring problems if credit card information falls into the wrong hands; 2) the net does not provide the expected level of security; and 3) companies may record all their purchases, purchasing habits, etc., and may pass on or sell this information to other potential marketers who in turn may solicit the customer (Handerson, 1999).

The growing popularity of cyber shopping means information can be transmitted all around the globe with just one click of the mouse (Manes, 2000). However, it also means that some information that was thought to be private, such as medical records or financial data, is now out in the public domain for all to see and there are people who are actually hacking them all the time. Those hackers or companies know an individual's name, address, phone number, marital status, age and

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approximate income level. They know what publications people read, what catalogs they receive, what Web sites they visit and what products they buy both online and off. The ability of marketers to track customers' surfing and buying patterns can lead to abuses. Before the advent of cyber shopping, direct-mail marketers would at times collect information and threaten privacy, but they didn't have the breadth of information now available on the Internet (Lawton, 1998).

Today, when a customer goes online for rentals, credit card purchases, airline reservations and other such electronic transactions, s/he is required to complete a form which contains personal information that defines or represents his/her habits. This information is collected and can be passed to other marketing companies to market their product and services without their knowledge. Many believe that too much personal information is being collected when they go online (Caudill, 2000). Others are not willing to use credit card numbers to purchase items on the Internet. The strange contradiction is that people like to use the Internet for cyber shopping while at the same time they do not trust it. Millions of people are using the Internet everyday, for work, play, learning, business and for social interaction. As we depend on and enjoy it more, we are worried if and how others or organizations may be secretly watching us and collecting information for purposes that we are unaware. "Spamming," which is the practice of sending out unsolicited e-mail, is growing because it costs so little to send out millions of messages or advertisements electronically. Many prominent high-technology companies have already been caught attempting to quietly collect information about their customers via the Internet. DoubleClick, a popular supplier of online advertising services, and RealNetworks, the producer of the RealPlayer line of multimedia software, were subjects of a scandal when their millions of trusted users learned that their personal information was being collected without their consent (Kling, 1996; Gurak, 1997). Privacy can be defined as an individual's right to be left alone, free from interference or surveillance from other parties. Privacy requires security mechanism, policy and technology to provide control over information.

The way sites handle personal information is a concern to the general public. The general population is very cold to the idea of having personal information distributed without the knowledge of the individuals in question. It is an issue because of the risk of taking adverse actions based on inaccurate information, i.e., spam, phone call (Gillin, 2000a). Internet privacy is clearly controversial and can be confusing. As mentioned above there are companies who are keeping track of the Net users. Most of the time they do that with the help of a unique identifier called a cookie, usually a string of random-looking letters, that a Web server places on a computer's hard drive. Cookies enable Web sites to track usage patterns and deliver customized content to visitors.

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