

2008 Most Trusted Companies for Privacy

Study of U.S. Consumer Perceptions

Independently conducted by Ponemon Institute LLC
December 2008

Ponemon Institute^{LLC}

- ✓ The Institute is dedicated to advancing responsible information management practices that positively affect privacy and data protection in business and government.
- ✓ The Institute conducts independent research, educates leaders from the private and public sectors and verifies the privacy and data protection practices of organizations.
- ✓ Ponemon Institute is a full member of **CASRO** (Council of American Survey Research Organizations). Dr. Ponemon serves as CASRO's chairman of Government & Public Affairs Committee of the Board.
- ✓ The Institute has assembled more than 50 leading multinational corporations called the **RIM Council**, which focuses the development and execution of ethical principles for the collection and use of personal data about people and households.
- ✓ The majority of active participants are privacy or information security leaders.

What is privacy trust?

- Privacy trust is a process companies can implement to motivate trust and confidence in how its leaders, employees and contractors protect and secure private information about people and their families.
- Privacy trust requires a company 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 are:
 - **Notice** – Companies should clearly communicate their privacy policies and data practices to customers.
 - **Choice or consent** – Companies should respect customers' personal data and will not share non-public personal data, except as permitted or required by law.
 - **Access and redress** – Customer and employees should have reasonable access to their personal information as required by law and have the ability to correct any inaccuracies or misinformation held about them.
 - **Prudent security** – Companies need to take reasonable measures to protect data and limit access by unauthorized parties.
 - **Data minimization and accuracy** – Companies should avoid collecting information they never need or plan to use. While the cost of storage is nominal, the excess information creates data integrity, quality and accuracy problems.

Introduction



- Are certain companies and brands more trusted than others to protect consumers' privacy?
- Do consumers believe there are companies that are more trustworthy than others to have processes in place to safeguard the personal information they collect, use and share about them?
 - For the fifth consecutive year, we asked adult-aged respondents from the U.S. to list up to five companies in various industry sectors that they trusted for honoring their privacy and data protection commitments.
 - According to their responses, we compiled a list of the **most trusted** companies for privacy. The 2008 aggregated list of most trusted companies contained 211 company names, compiled from over 36,000 individuated company ratings.

Survey

- Participants were asked to apply the following definitions when determining the companies they trusted most for privacy:
 - **Personal information** – Consider only data about yourself and your family. This information typically includes name, address, telephone numbers, email address, Social Security number, other personal identification numbers, access codes, age, gender, income and tax information, shopping information, account activity and many other pieces of data about you.
 - **Privacy trust** – Your belief that the company is honoring its privacy commitments to you, and keeping your personal information safe and secure. This includes its commitment not to share your personal information unless there is a just cause or you have given your consent.

Ranking procedure

- To make this year's most trusted companies list, an organization needed a minimum of 20 positive ratings from consumers.
- In the event a recognized brand name (not a company name) was cited by respondents, this brand was matched to its company as part of a manual reconciliation procedure.
- A total of 706 companies were named and 211 made this year's most trusted list.
- A combined rating composed of three rank procedures was used to determine the overall rank of a given company.
 - Rank 1: The rank order of a given company based on the net of all positive minus negative responses.
 - Rank 2: The rank order of a given company based on the percentage of first place ratings.
 - Rank 3: The rank order of a given company based on the ratio of positive to negative ratings.
- Given the nature of these three ranks, the theoretical best combined rating is +3 (1+1+1) and the theoretical worst combined rating is + 633 (211 X 3).

Sample response

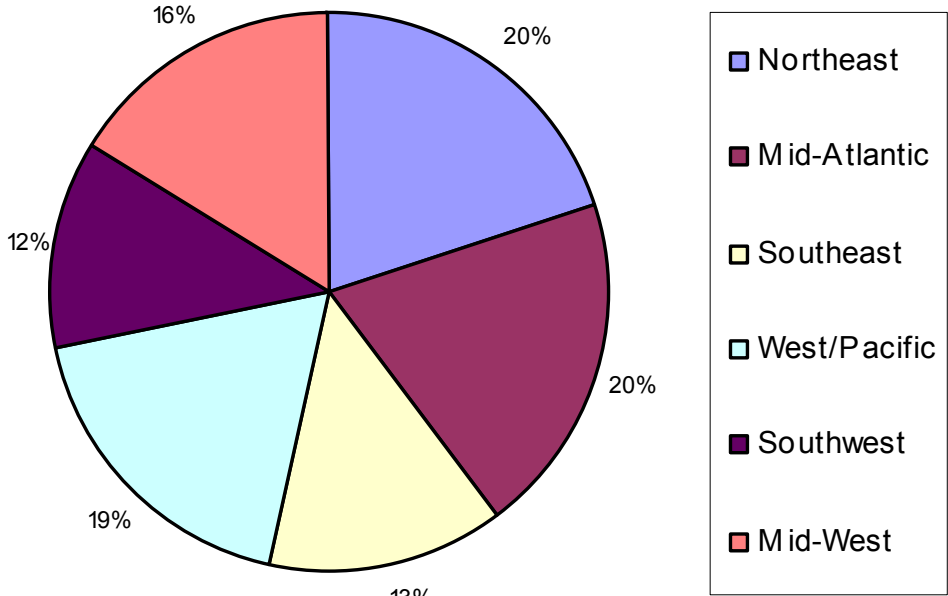
This year's sample resulted in a compilation of 211 company names that were independently ranked. Only those organizations with 20 or more positive ratings were included in the most trusted list.

Total sample frame (American consumers)	99,145	100.0%
Total responses	6,891	7.0%
Total rejections	405	-0.4%
Net responses	6,486	6.5%
Total positive & negative ratings	36,452	
Average number of ratings per respondents	5.62	
Average number of positive ratings	3.01	
Average number of negative ratings	2.77	
Number of separate companies identified	706	
Number of companies with ≥ 20 positive ratings	211	

Response by U.S. region

Respondents were located in all regions of the United States. A total of 44 states are represented in this year’s consumer survey.

U.S. Regions	Freq	Pct%
Northeast	1,302	20%
Mid-Atlantic	1,278	20%
Southeast	874	13%
Pacific	1,200	19%
Southwest	793	12%
Midwest	1,039	16%
Total	6,486	100%

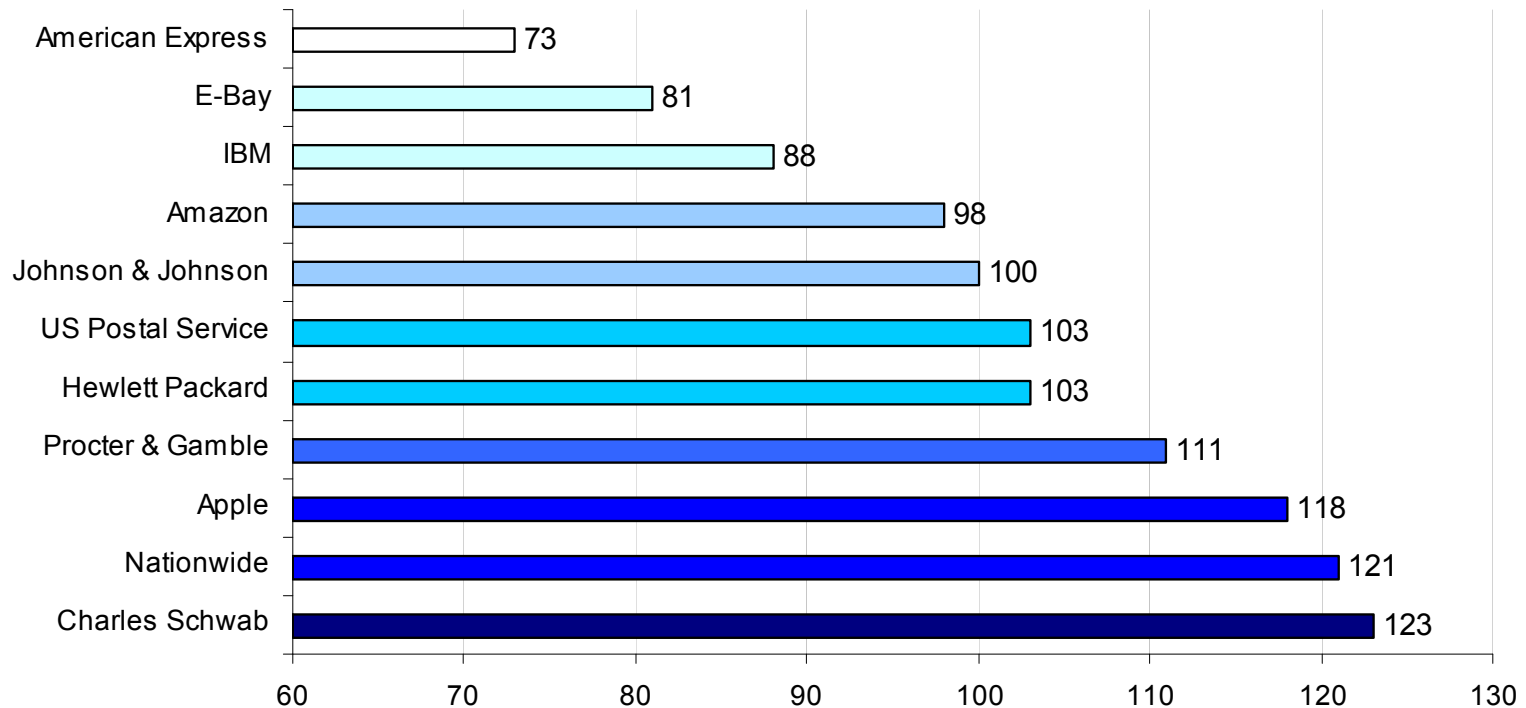


Top 10 most trusted

The following chart shows the most trusted companies among 706 separate companies identified our national study. Each bar shows the combined rank or score for each top rated organization. A lower combined score indicates a higher trust rating. Please note that HP and the USPS are tied for 6th place.

2008 Most Trusted Companies for Privacy

Each bar reflects the combined value of three separate rankings
The minimum possible value is +3 and the maximum possible value is +633



The Following matrix shows the companies ranked in the top 20 in this year's national survey.



Top Companies for Privacy	2008 Rating	2008 Rank	Top Companies for Privacy	2008 Rating	2008 Rank
American Express	73	1	USAA	127	11
E-Bay	81	2	Intuit	132	12
IBM	88	3	WebMD	135	13
Amazon	98	4	Yahoo*	140	14
Johnson & Johnson	100	5	Facebook*	143	15
Hewlett Packard	103	6	Disney	149	16
US Postal Service	103	6	AOL	149	16
Procter & Gamble	111	7	Verizon*	155	17
Apple*	118	8	FedEx*	162	18
Nationwide	121	9	US Bank	163	19
Charles Schwab	123	10	Dell	170	20
			ELoan	170	20

*Ranked in the top 20 for the first time since the inception of this research series in 2004.

2008 Ranking	Industry sectors	Top ranked company within industry	Number in industry
1	Consumer products	Johnson & Johnson	8
2	Health care	WebMD	10
3	Package & delivery	US Postal Service	4
4	Technology & software	IBM	18
5	Non-profit	National Rifle Association	11
6	Telecom	Verizon	5
7	Payment & credit card	American Express	5
8	Banking	US Bank	14
9	Investments	Charles Schwab	8
10	Pharmaceuticals	Schering-Plough	11
11	Financial services	ELoan	14
12	Insurance	Nationwide	9
13	Hospitality	Starwood	6
14	Retail	Amazon	30
15	Conglomerate	General Electric	7
16	Entertainment	Disney	8
17	Internet services	Yahoo	6
18	Health & beauty	Weight Watchers	7
19	Auto & transportation	Harley Davidson	9
20	Airlines	Southwest Airlines	8
21	Toys & children	Lego	5
22	Food service	Starbucks	8
Total = 211			

The adjacent table shows the most trusted companies according to 22 industry sectors.

The industry ranking was compiled from the primary classification of all 211 organizations earning most trusted status.

Consumer products is the industry sector earning the highest status for privacy trust in the 2008 study.

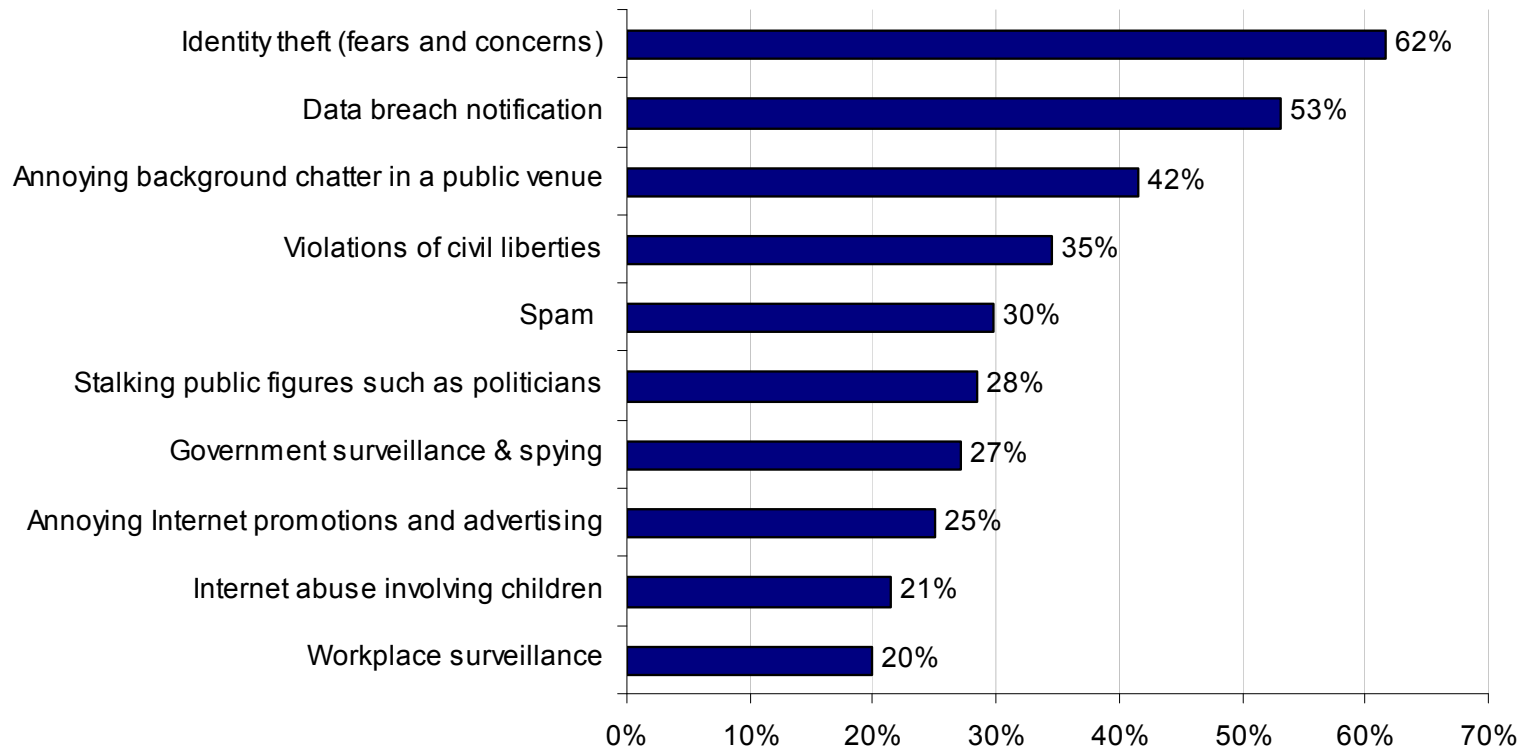
Please note that the retail industry segment combines online and conventional merchants.

Most significant events or stories in 2008

The following bar chart reports the 10 most salient events or stories that consumers believe were most important in affecting their perceptions about privacy. Each bar represents the percentage frequency of respondents selecting a given event as an important or very important factor (descending order).

Events or stories in 2008 that influenced consumer privacy perceptions

Following are the top 10 events or stories in 2008

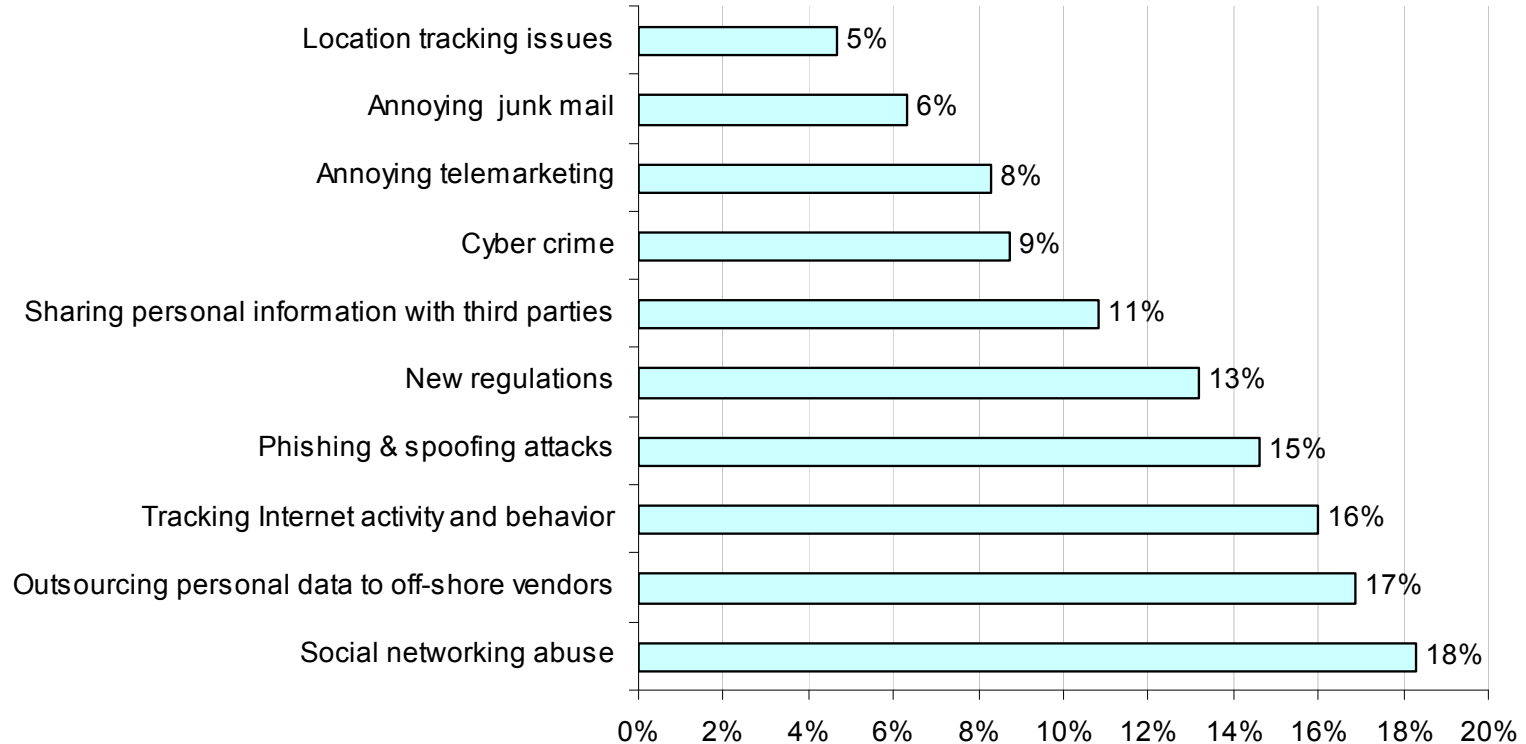


Other significant events or stories in 2008

The following bar chart reports the other salient events or stories that consumers believe were important in affecting their perceptions about privacy. Each bar represents the percentage frequency of respondents selecting a given event as an important or very important factor (ascending order).

Events or stories in 2008 that influenced consumer privacy perceptions

Following are the bottom 10 events or stories in 2008

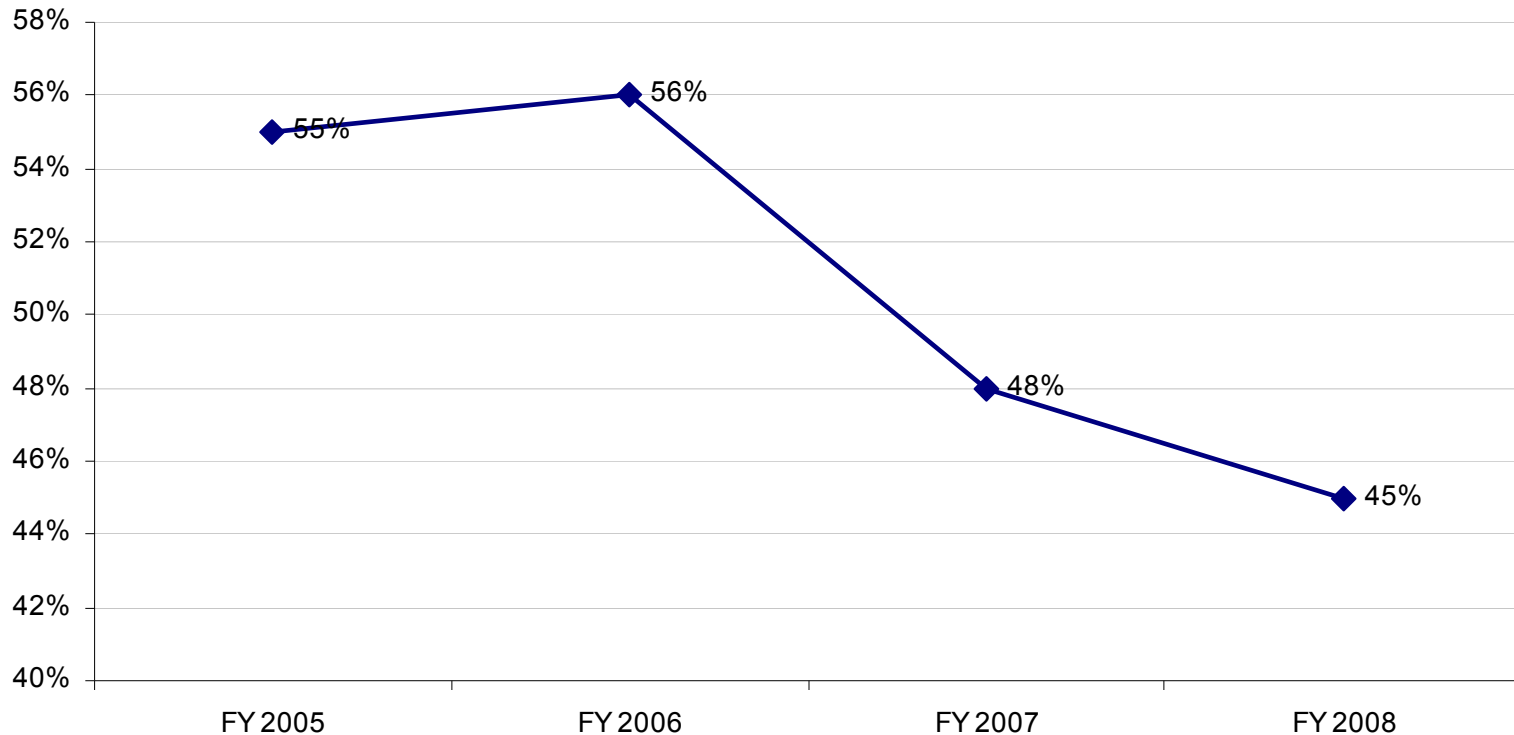


Do you have control over your personal information?



The line graph reports the percentage of respondents over four years who answered Yes to the question, “Do you have control over how your personal information is used or shared?”

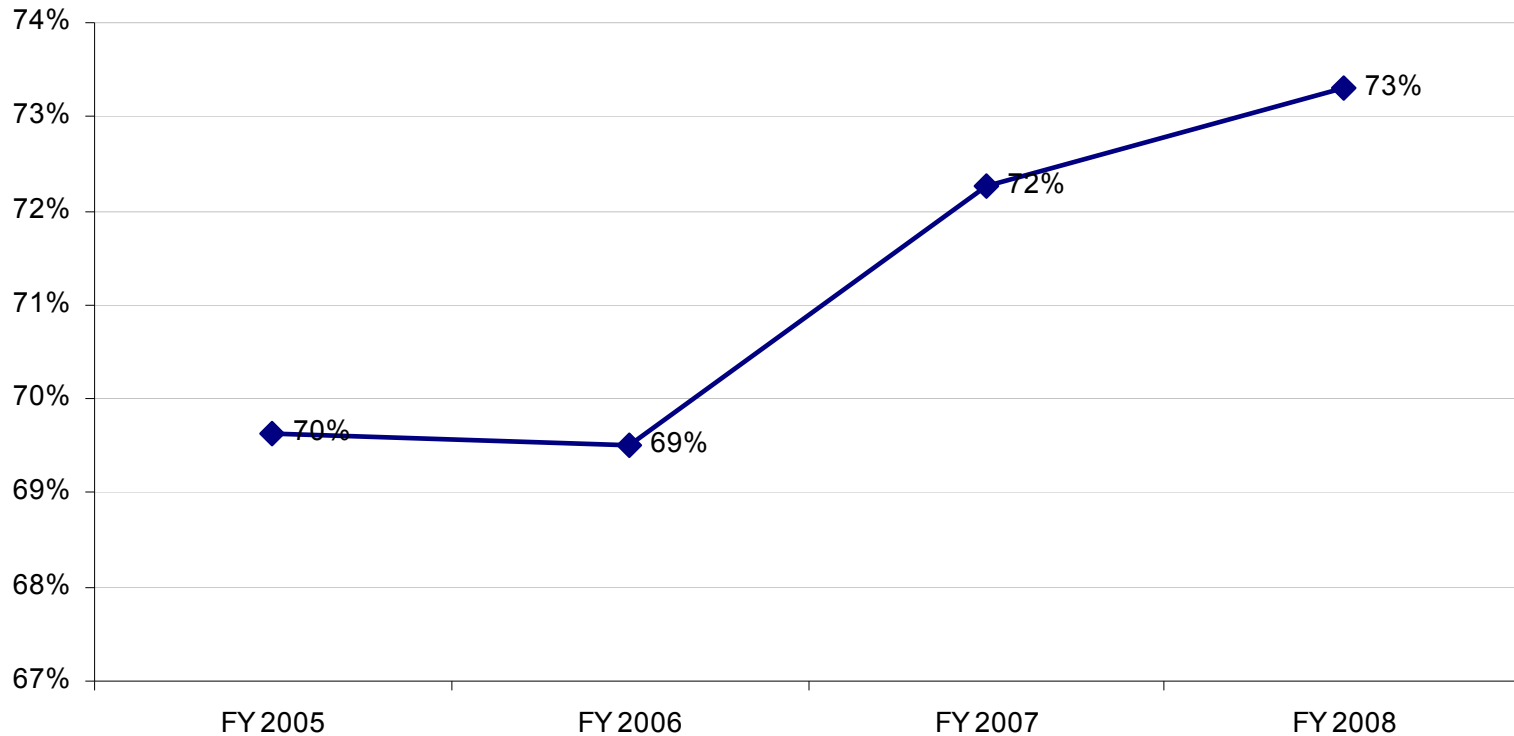
Do you have control over how your personal information is used or shared?
The percentage of respondents who said Yes



Is privacy important?

The line graph reports the percentage of respondents over four years who answered Important or Very Important to the question, “How important is the protection of your personal privacy?”

How important is the protection of your personal privacy?
The percentage of respondents who said Important or Very Important



What did we learn?

- **Privacy matters to consumers.** Companies that implement responsible information management practices across the enterprise are likely to enjoy customer support, loyalty and participation.
- **Technology makes a difference.** Companies need to take stock in new enabling technologies that help protect personal information such as data leak prevention and encryption solutions.
- **Human factor is important.** One of the top privacy risks concerns data breach. It is important for companies to make sure employees, temporary employees and contractors understand good privacy and data protection practices. Also, take steps to vigorously monitor behaviors that push the limits of the company's policies or SOPs.
- **Understand the law.** Privacy and data protection requirements vary by state, industry sector and nation. Companies need to understand how legal requirements impact the company's information technology requirements. Responsible information management requires more than an adequate level of compliance.

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