

Since the mid-1990's, the Internet has grown exponentially. For example, in February 1999 *Nature* magazine estimated the size of the Internet to be 800 million Web pages. According to the Censorware Project, the Web size as of March 29, 2000 was 1.78 billion Web pages. In other words, Censorware estimates that the Internet is growing by over 3.5 million pages a day.

As the Internet grows, so does business involvement and interest in it. The Internet provides business with a unique resource to collect and track information about their on-line customers. For example, businesses can communicate directly with Internet users throughout the world via customized e-mail or distribution lists as well sell services, products, or information on interactive company Web pages.

As the number of Internet users increases and the range of business services and transactions available on-line becomes more sophisticated, clarification on the privacy rights of Internet users becomes more important.

Privacy Defined

In *Privacy Issues in Telecommunications*, S. Adler defines privacy as the right:

- . not to be disturbed
- . to be anonymous
- . not to be monitored
- . not to have one's identifying information exploited.

By no means, is this definition of privacy universally accepted by either legal or Internet experts. For instance, in *The Limits of Privacy*, Amitai Etzioni argues that there are boundaries for individual claims to privacy and that privacy decisions should be balanced against concerns for public welfare. Consequently, not all personal information should be either anonymous or unmonitored.

International Privacy Codes

As Gattiker et al note, social definitions of privacy are both complex and fluid. In other words, what may be considered appropriate within one social context may be inappropriate in another. Since the Internet is largely unregulated and includes users from many countries, it may be difficult to legislate privacy standards.

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There are already discrepancies in privacy laws among G-7 nations. For example, the European Union has more stringent privacy standards than the United States and most of Canada (Quebec privacy laws meet European Union standards). The lack of a clear international standard creates potential legal loopholes for international data collectors and uncertainty for Internet users.

A Business Perspective

Business involvement on-line has increased dramatically as the potential for e-tailing and e-commerce becomes apparent. For example, in the last three months of 1999, Canadian consumers spent approximately \$ 657 million on on-line purchases. Similarly, Forrester Research Inc. estimates that on-line spending in the United States has grown from \$ 2.4 billion in 1997 to \$ 20 billion in 1999.

In a 1999 survey, 292 marketing professionals were surveyed about the ethical implications of on-line marketing. 55% of those surveyed agreed that the absence of Internet regulations has resulted in frequent ethical abuses by organizations. In particular, the ethical issues that survey respondents identified in regard to on-line marketing included: security of transactions (29%), illegal activity (10%) and privacy (8%).

Implications for Consumers

One of the lures of the Internet for users is its seeming anonymity. One can access a plethora of information and services without leaving one's home or meeting a single salesperson. However, consumer's perception that they are anonymous on-line may be inaccurate. For example, in a *National Post* article, Peter Goodspeed asserts that:

...data collected about you and stored at various sites on the Internet and in huge, privately owned databanks include your health, credit, marital, educational and employment histories... Any electronic message you have ever sent out on the Internet to a newsgroup or chatroom is publicly archived and is likely to remain there forever.

Industry experts estimate that almost all Internet users have been profiled at one time or another. Among the concerns raised by privacy advocates are that at present Internet users do not know what is in their profiles or how detailed their profiles are. For example, should databanks have the right to gather information about your sexual orientation, religious affiliation or career preferences?

Profiles can be developed by organizations in a number of ways. One of the most popular is through the use of cookies - bits of electronic data that Web sites place on the computers of everyone who visits their pages. Once a cookie has been planted in your computer it can track the sites the computer came from as well as ones it visits after it leaves the host Web site. Organizations can also gather information by asking for demographic information such as name, address, and income before allowing access to specific Web site services.

The Federal Trade Commission reported that 85% of the 1,400 Web sites it surveyed collected personal information about consumers. However, only 14% of sites surveyed provided any notice regarding their practices with the information collected. In other words, it is possible that information collected on-line may be used to develop comprehensive consumer profiles or sold to other organizations.

Canada's Response

The federal government has introduced Bill C-6 - *The Personal Information Protection and Electronic Documents Act* - that will give individuals legal rights when personal information is collected and used in commercial activities. Bill C-6 is the first new privacy legislation in Canada in 17 years and the first attempt by the federal government to regulate how the private sector deals with personal data.

In addition to proposed legislation, organizations such as the Canadian Standards Association (CSA) and the Better Business Bureau have developed voluntary privacy codes of conduct for data collecting organizations. In particular, CSA has established ten-point privacy code for all Canadian organizations that collect or use personal information. To help make the code work, CSA has published a code guide for organizations entitled *Making the CSA Privacy Code Work for You* and has developed a three-tiered recognition program for organizations.

Will it work?

While it seems that there will be legislation in regard to consumer privacy, at present it is unclear how consumers will be best safeguarded. Of the 292 marketers surveyed in 1999, most felt that business was equipped to self-regulate the Internet. Conversely, since the Canadian government is passing federal privacy legislation, provincial and federal governments will be involved in policing Internet privacy. With the Internet growing by over 3.5 million Web pages a day, it is a moot point whether business or government can or should police on-line activity.

Questions

When you go on-line, are you concerned about what kind of information is being collected about you and what will be done with it? Why or why not?

Imagine that you are launching a Web site on which you will sell Romance Novels to on-line customers. Would you track consumer information? What information would you be interested in? Do you think consumers would object to the collection of information?

Develop a code of ethics for your romance novel company that will satisfy both consumer needs for privacy and your organization's business needs.

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