

## Online Consumers Continue to Worry

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Ten years after the Internet burst onto the scene, and billions of dollars of merchandise has been purchased, a majority of consumers are still hesitant to provide credit card information online.

According to a new report from [Forrester Research](#), 61% of consumers say that they have privacy and security concerns that make them hesitant to give out credit card information online.

In addition, one-half of the consumers surveyed by Forrester said they have concerns about creating a personalized portal on a Web site.

Of course, identity theft, lost credit card numbers and fraudulent online schemes do occur, and some sites have been notoriously lax in privacy and security, but by and large the commercial online environment is no more or less dangerous than the offline world. Obviously, though, online companies have done a poor job in communicating to customers the safeguards that are in place.

Companies — particularly credit card companies, banks and other financial institutions — need to better educate customers on the measures they are taking to protect private information, such as the fact that most credit card companies have a policy that a consumer is held responsible for only \$50.00 if someone steals a credit card number and begins making fraudulent charges.

The study found that consumers' concerns were not limited to the Internet, however. One-third of the consumers surveyed said they also had reservations about mobile data services, and they continue to express concerns even about giving out personal information over the telephone.

A related study by Forrester, "Marketing Challenges 2004," for the [Unica Corporation](#), a provider of Enterprise Marketing Management (EMM) solutions, conducted to identify critical customer-centric issues of marketers, found that while over 60% of the executives surveyed expect recent privacy legislation (such as Do Not Call and CAN-SPAM) to have a greater impact on marketing over the next two years, less than 20% have changed their e-mail or telemarketing practices as a result, and less than 20% allow customers to determine frequency of marketing.

In order for consumers to have more confidence in shopping online, or transmitting personal and financial information, companies doing business online are going to have to do two things:

1. Better educate consumers about the protections that are in place.
2. Institute more safeguards and be more vigilant and conscientious in maintaining them.