

Web site privacy seals: Are they worth it?

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We've all seen them -- the green Truste images, the BBBOnLine padlocks and a host of other privacy and security seals. More than 2,000 companies are paying up to \$13,000 per year to display these logos on their Web sites.

But do they pay off?

If the Internet is key to your company's future growth strategy, then you need them to pay off.

Poll after poll says the top reason people don't spend more online is that they're afraid their credit card numbers will be stolen. Visa and MasterCard will reimburse any fraudulent charges, but not everyone knows this. Those who do know it don't want the hassle of having to seek a reimbursement.

The big question is: Do privacy seals give these worried customers the assurance they need to type in their charge-card information? Will their added sales justify the cost of the seals? Use this checklist to find the answers for your company:

- **Are we like the companies that already have seals?** If you're a world-class e-commerce site, the answer is yes. Almost half of the top 50 most-visited Web sites, by my count, display some type of privacy seal. If you're a technology company, the answer is also affirmative. Roughly 7% of Fortune 500 companies display a seal -- and half of them are in the technology sector.
- **Which seal is best?** If you need a privacy seal, either of the two market leaders will do. [Truste](#) has the highest market share among the seals, listing 1,374 Web sites to [BBBOnLine](#)'s 701. Truste has nearly a 2-to-1 edge over BBBOnLine on the top 50 Web sites, and a 3-to-1 edge among Safe Harbor members. That said, the Better Business Bureau's 91-year history has given it higher name

recognition (93%) among Internet users than has the 6-year-old Truste, which claims a 69% recognition rate.

- **What will it cost us for a seal?** Both Truste and BBBOOnLine charge an annual fee based on your yearly revenue. With Truste, companies making less than \$5 million are charged \$599, while those grossing over \$2 billion must pay \$12,999. The pain is less at the BBB: Small firms are charged \$200, while those grossing over \$2 billion pay \$7,000.
- **What is required to qualify for a seal?** Applying for a seal program will require internal staff time to complete the paperwork and assure your company meets the seal standards. You'll need to post a privacy policy that conforms to the seal's standards. And you'll need to provide your customers a way to opt out of direct marketing and selling their information to third parties, as well as a way to access their information and file complaints.
- **What return can we expect?** If you're a lesser-known brand, your return on the seal investment will be higher, because visitors to your site need more reassurance than they do visiting AOL.com. A sample of small clients of [ScanAlert](#), an emerging security seal provider, reports Internet sales increases of 10% to 33% attributable to that seal's placement. If your average Internet transaction nets you \$10 in profit, you'll need the seal to add as many as 125 more sales per month to make it a worthwhile investment.

What's my recommendation? If you're a small business with any online ambitions, this is an easy call. A privacy seal will pay for itself many times over. If you're a major corporation doing any level of online sales, you may also be leaving money on the table without a privacy seal.

Consider conducting a trial run: Make a one-year commitment to maintain a seal. Split your Web traffic in two, with only half of your traffic viewing the seal. By comparing the sales between the two versions of your site, you'll have hard proof of whether a seal is a long-term winner for your business. Looking over the horizon, your return will be higher if more online consumers come to trust the privacy seals. This may depend on the seals raising their standards -- and your requirements -- over time. Privacy purists deride Truste and the Better Business Bureau for not holding companies to a higher level of privacy and for not being more aggressive in

their enforcement.

Critics aside, everybody wins if the seal programs are a success. Seal members will do more to protect customer privacy, and online shoppers will have less to worry about when they click "Submit."