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**CONSUMER PRIVACY  
IN THE  
ELECTRONIC MARKETPLACE**

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# CONSUMER PRIVACY IN THE ELECTRONIC MARKETPLACE

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## SUMMARY

New opportunities have been created through the advent of the electronic marketplace. Businesses, as much as any other institutions in our country, can benefit through this new market located in cyberspace. Simply by having a web presence, a business is able to reach a market that was never possible before recent advances in technology. The Internet is a new frontier, but not one without challenges to those that want to harness its potential.

In recent surveys, consumers are expressing greater concern about their online privacy protections. For a large segment of the population, privacy concerns still keep many individuals from purchasing items over the Internet. Gaining consumer trust is crucial for the new electronic marketplace to succeed. When personally identifiable information is sold and exchanged like any other commodity, the public's concern seems justified.

However, personal data helps businesses target their markets and bring down costs. This results in lower prices for consumers. Products and services that an individual would have never known about can now easily be advertised to individuals. On the Internet, consumer profiles can become more sophisticated. Technologies, such as cookies, can monitor the buying habits of an individual by tracking websites visited. For many people, this is a scary proposition regardless of whether there is a benefit to businesses and consumers. The web is a new and somewhat strange "place" already for many consumers; hidden privacy risks, real or not, are a sure way to ensure stagnation of the electronic marketplace.

In this monograph, Paula Bruening of the Center for Democracy and Technology, provides readers a detailed explanation of the privacy challenges that businesses must address to succeed in e-business. What are current consumer attitudes? How can their trepidation be turned into a feeling of security? There are solutions that are being presented to increase consumer faith, from government intervention to self-regulatory mechanisms. What are these proposals and how do they differ? By becoming a privacy leader, according to Ms. Bruening, businesses can enhance their own financial interests. Recommendations are outlined that can help to create a proper balance between business interests and consumer protection. Major issues are explored such as the distinction between "opt-in" and "opt-out" policies as well as the need for clear privacy statements.

As with other National Legal Center publications, this monograph features an expert's view on a thought-provoking and critical issue to our nation. This concise monograph gives readers a practical understanding of the privacy issues that affect businesses and consumers in the dynamic electronic marketplace.

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