

## **Research - Consumer Awareness and Concerns.**

### **Overview for Merchants.**

**Client: VeriSign**

**Date: 10 September, 2004**

---

### **Secured Seals reduce the Security Concerns of Online Shoppers.**

#### **Though Web Commerce Grows, Online Shoppers' Security Concerns Are Widespread.**

The growth in online commerce brings with it a significant increase in the variety of fraudulent Web activities. Phishing and other scams involving fraudulent use of consumers' identities online are on the rise. Since November 2003, the Anti-Phishing Work Group has seen reports of phishing scams increase by about 110 % each month (Source: Ecommerce Times, June 11, 2004).

Of greater concern is the fact that nearly 10 million Americans have experienced inappropriate use of their personal information to open new accounts without authorisation, to misuse existing credit accounts, and to abuse other personal financial resources (Source: U.S. Federal Trade Commission – Identity Theft Survey Report, September 2003).

The reality of such figures has caused online shoppers to be wary of how they use their personal information to transact business.

- 69 % of users consider online credit card fraud a major concern (Source: Ipsos-Insight, January 2004).
- 85 % of users are concerned about being a victim of identity theft (Source: InsightExpress, June 2004).
- 37 % of users believe that online purchasing poses the greatest threat for becoming a victim of identity theft (Source: Ipsos-Insight, January 2004).

And while many Internet merchants believe consumers are becoming more comfortable establishing customer relationships online, the statistics tell a different story. The number of consumers who say they are reluctant to provide their personal information to online merchants has risen to 44 % in 2004, up nearly 10 % from 2003.

## **Security Concerns Are Causing Shoppers to Limit Spending Online**

Several recent studies demonstrate that consumer concerns about online security deter potential customers from making purchases. Consider a few key statistics:

- 38 % of users are less likely to make an online purchase because of concerns about credit card fraud.
- 49 % of consumers reduced their holiday shopping to some extent during the 2003 season. The main reasons for this reduction included credit card/payment security, risk of identity theft, and unwanted spam (Source: NFO WorldGroup, November 2003).
- 56 % of users report they are protecting themselves from identity theft specifically by limiting their online purchases to reputable Web sites (Source: InsightExpress, June 2004).
- 64 % of online shoppers have abandoned a shopping cart/basket or failed to complete an online purchase because they didn't get a sense of security and trust when it came time to provide payment information (Source: TNS study, July 2004).

Consumers need constant assurances their online transactions are protected.

## **Third-Party Trust Marks Alleviate the Security Concerns of Online Shoppers**

A recent study investigated security concerns of online shoppers and the value trust marks hold in the mind of consumers. The following statistics are from this July 2004 study conducted by TNS, an independent research firm.\*

Consumers are very aware of trust marks and understand what they represent.

- 52 % of online shoppers say that trust marks stand for "security."
- Only one in five did not know what purpose they served.

The overwhelming majority of consumers feel it is important for sites to include a trust mark.

- 94% of Australian online shoppers (93% in U.S.) say it is important for an e-commerce site to include a trust mark of some kind on their site.
- About three-quarters of online shoppers will only make purchases through sites that include a trust mark.
- 80 % of online shoppers expect to see a trust mark displayed on a Web site's home page. The majority of shoppers also expect to see trust marks displayed on the page where personal information is entered and where the final transaction is completed.

Shoppers not only recognise and value third-party trust marks, but the presence of a trust mark can also persuade them to complete the purchase.

- 69 % of Australian consumers (64% worldwide) who have terminated an online transaction due to a lack of security feel they would have gone through with the original purchase if the site had included a recognised trust mark.

## **The VeriSign Secured Seal Increases the Likelihood to Buy**

With an understanding of the importance of trust marks in completing online transactions, Web merchants should be sure to choose the trust mark that offers the most value. The VeriSign Secured Seal is the most trusted symbol of secure commerce on the Web.

- 83 % of online shoppers are familiar with the VeriSign Secured Seal, more than any other mark.
- Among shoppers who are aware of the VeriSign Secured Seal, more than 4 in 5 say it is their preferred seal.
- The VeriSign Secured Seal rates best overall worldwide among endorsement programs in terms of consumer trust (67% within Australia, 60% worldwide), with consumers indicating they believe the seal represents security, protection, verification, and reputation.

The VeriSign Secured Seal can also affect which vendor Web site online shoppers prefer to do business with. The majority of respondents (62% within Australia, 53% worldwide) prefer to use sites that display the VeriSign Secured Seal.

## **VeriSign Gives Merchants a Simple Way to Alleviate the Security Concerns That Limit Transactions**

As online shoppers become more savvy, they make purchase decisions based on their knowledge of online security. Including a trust mark on your Web site is another tool to ensure consumers view your site as secure—helping to reduce the number of terminated transactions. As the most trusted security mark on the Internet, the VeriSign Secured Seal is the best choice for Internet merchants to communicate transaction security to customers.

The VeriSign Secured Seal program also delivers additional features consumers demand. One such feature is our validation functionality that displays information about the technology behind VeriSign security when a consumer clicks on the seal. Sixty-one % of online shoppers say they are interested in knowing what technology and services are behind a trust mark. And nearly 70 % say they would use the VeriSign validation functionality while shopping online.

The VeriSign Secured Seal is the only choice for Web merchants who are serious about alleviating the security concerns of online consumers. The Seal is available exclusively to merchants that purchase and implement VeriSign's market-leading security solutions. Maximise your sales opportunities by displaying the VeriSign Secured Seal.

\* The TNS study, conducted June-July 2004, was sponsored by VeriSign and was comprised of online shoppers, at least 18 years old. U.S. respondents were recruited from the TNS NFO Panel, and all International participants were recruited from GMI country-specific panels.