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TITLE: Consumer Knowledge of Disclosure Agreements

ABSTRACT

Convenience plays tricks on the mind of a consumer. When someone chooses a product in which to gain service from, too meet some means to an end that he/she cannot meet on a consistent and quality basis, they proceed to a marketplace. Let us understand what a marketplace is then. A marketplace is oddly enough a place where a market is held and in like turn, a market is where buyers come to sellers and acquire a product and/or service. The idea of paying someone else to perform a task that either you are not qualified to perform and/or do not have the time to address is a form of convenience. Within this transaction it always appears that something is sacrificed of the requester but that obviously is some form of payment. Beforehand people would barter which is a very old but stable form of establishing a foundational economy. Instead of using money to acquire a good or service, consumers were everyone as much as you could say sellers were everyone. Over our history the cycle is repeated again and again where some "genius" uses a form of money to change the economy. This changing of the basic bartering system brings forth this major idea, that information is your best asset.

Of course, the statement, "information is your best asset", is just a statement made by myself and in itself cannot justify any claims that I make later on. The idea itself now that you the reader have read it, does allow for more aspirations to float around in your mind while you ponder the disastrous nature of such a statement or the profound stupidity of such a statement. Regardless, the idea is to have you thinking about this statement. We will come back to this point later on in the abstract.

For now, we must focus on the main idea at hand, which is convenience. If the goal of a good or service is to make our lives more convenient then the seller has done their job and we the consumer are happy. If the seller's services and/or goods do not make our lives more convenient then we the consumer are not happy, then it is safe to say that the seller needed more information on how to make us, the potential customer's happy. The intriguing inquiry is to then ponder how a seller ponders and ask ourselves, "How can I get more information to make my consumers like me and my products so that I can become richer?" Now that I have made a small connection to information and convenience we must ask ourselves another question. How much information are we willing to give away in order for our lives to be more convenient? The reasoning behind asking a question such as this is to realize that even though I will be showing examples of what organizations have done negatively with their customer's private data, it is up to the consumer to be fully knowledgeable about what guidelines and policies have been set in

place by their service provider as to how the provider is acquiring data, processing data, and retaining data.

In 2007 the Washington Post published an article entitled, "Lenders Misusing Student Database". Within the article, Amit R. Paley speaks on the illegal use of a national database containing very discrete information on college students who have taken out loans to pay for their tuition. The conduct specifically stated in the article speaks on companies using the database to mine for potentially new clients and giving access to non-authorized third parties such as marketers. Since then the federal government has inputted new security measures and axed users in violation of their granted access but how did it come to terms that there would be one large national database holding years of data on college students. More embarrassing, the article states that more than 30,000 people were allowed access to the database at any given time. What stands to be corrected is that the contents of the article were not brought to light by students who noticed an odd amount of solicitations at their doorstep but by members of the federal government who saw suspicious activity happening. So again, herein lies a convenience over service issue that can be tied to bad policy by the service provider but also ignorance and negligence of the consumer.

Ignorance is another issue that must be discussed. In this context I only state the word ignorance but I do not imply it in its negative fashion but in the fashion of what the word is defined as, "lack of knowledge". Stating that there is a lack of knowledge on the consumer's end is not at all degrading but the main plight of this experiment. The ignorance therefore spoken of is due only to a lack of knowledge, knowledge that has been cleverly hidden from the consumer.

The connection seen here between ignorance, convenience, and information is simple. A state of ignorance to the information that is being taken from you and used in ways that you would most likely disagree with provides a level of convenience to the consumer because they are able to have the full service provided to them by their provider. This state of being, "ignorant", is more and more becoming easier to attain since people's first reaction to attaining a new product, service, and/or update is to be done with all the preliminaries as soon as possible so they may begin using their device and/or service. What we as consumers then don't realize is that there must be patience exercised with our actions. These statements will be explained further throughout this page.

In a state, a person's mind undertakes a certain condition. Of course you most likely already knew that before ever reading this abstract but it must be stated nonetheless. I believe that throughout the day depending on our surroundings, we as human beings develop many states of mind. While within these states we become more like drones than human beings using reason and logic. These times throughout the day when we step into a certain state of mind often deal with our moods, for instance when you first wake up out of bed most people acquire a state of mind that will try to garner mental strength to command over the physical nature of the body's wanting for more sleep. While in this state of mind the other functions, mainly social of your personality are temporarily unavailable since your state of mind is continuously locked in combating the urge to jump right back into your bed. Another example comes to mind that ventures more into heavy-populated cities where traffic is a big problem. When your daily route consists of

so many other cars and people accidentally blocking your way to a certain destination such as your home, you begin to develop a state of mind that helps you cope with this situation. As a driver from Southern California I can personally testify to this. The main focus becomes your destination and anything that gets in your direct path suddenly becomes an instant enemy. The reasoning behind these states of mind, are that they serve as survival techniques. We as humans use these techniques to somewhat “skip” through the drudgery of our lives until we can begin experiencing something that makes us feel good.

Now understanding the basis for our state of mind that can lead us into a frame of ignorance, we simply demand to be ignorant so as to receive our convenience and let go of our information. Companies who understand this know that if they taunt a desperately-hungry dog with a steak in one hand the dog most likely will not notice the huge net in the other hand. That is exactly how it seems to me that these companies who do have policies and have you sign them before using their product and/or service treat their clients. A great example of consumers taking the default ignorant level is the privacy policy used by a British online retailer.

In the depths of the privacy policy it states, "By placing an order via this website ... you agree to grant us a non-transferable option to claim, for now and for ever more, your immortal soul. If you a) do not believe you have an immortal soul, b) have already given it to another party, or c) do not wish to grant us such a license, please click the link below to nullify this sub-clause and proceed with your transaction."

The company, GameStation, placed the above text in their privacy policy as a joke but many government officials in the US and Europe see this as an outcry for change. Mainly the concern over this April Fool's joke was that more than 80% of GameStation's consumers for that specific period of time did not even click on the link mentioned in the above statement of their privacy policy. The change must come to the approach used by most companies in having their privacy policies, end-user license agreements, and/or disclosure agreements signed by their customers. If customers choose to be apathetic to the arrangements of their privacy policies there will be no excuse for the fact that they will have some knowledge as to the relationship between them and the companies they are soliciting service from. As the article continues to state, there are growing concerns in the national communities for safeguards to be in place that will protect the consumer's personal data and allow for customers to know more about what they are signing. This area is where my research begins and allows for an area that has been somewhat explored but not fully brought to fruition.

METHODOLOGY

For the experiment to succeed, the research must provide multiple software agreements to a myriad of individuals with previous computer experience that will showcase the older versions of software agreements and the newer standards that we will provide. In accordance with these agreements we must also ask the individuals questions before and after signing the software agreements.

Specifically, the experiment will consist of this approach. We will provide software for users to install onto computers and just like any other software installation they will have to agree to the terms of the disclosure agreement set forth by the software's company. There will be two groups; the first selection will be the control group that would install the software using the standard approach for signing a disclosure agreement. The next selection would have the same software to install and sign the same agreement but using a different approach. After the software has been installed the users will be questioned on how well they know the tenants of the disclosure agreement.

After knowing what exactly the experiment will consist of, the real questions begin by asking what actual methods are being proposed for solving the problem of privacy policy negligence. Even though there is not a way to solve human negligence, there is a way to subside it, which is through education. Suggestions that have been proposed by me for this new approach consist of having customers signoff on multiple sections of a privacy policy, bolding major statements within each section of a privacy policy, and also ushering new agencies that will be third-party privacy policy liquidators that summarize organization's privacy policies. These suggestions and others must be thoroughly tested to make sure they will do the job right the first time.

What makes large processes easier to manage? Breaking the large process into smaller processes and then administering attention to each process until the main process done. This has been a proven technique in many areas of life and must be used in privacy policies today if consumers are to be able to understand what companies are having them sign. If disclosure agreements were broken into sections that consisted of checkpoints for the user to agree to, this change alone would slow a consumer's hasty approach to signing agreements. Bolding and other forms of highlighting have shown numerous times to improve a reader's knowledge of a document and I believe that using this technique along with a non-biased third party institution consumers know and trust to summarize the policies in favor of the customer.

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BIOGRAPHY

Jesus Noland, a senior at California State University Fullerton, has found his summer's research to be a tremendous experience. He has gained an exceptional learning experience from working with Dr. Stephen Wicker and his associates. Jesus' goals as a Computer Scientist have been more realized during his weeks here at Cornell University and he now has a much better understanding of graduate school and what it takes to succeed and receive a doctorate degree.

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