EU electronic communications framework: consumer understanding and management of cookies

Background

We commissioned PwC to undertake research on the impact of amending Article 5(3) of the e-Privacy Directive, which ensures that consumers have the opportunity to give specific and informed consent to the placing of cookies and other information on their equipment.

The research involved two elements:
- an online survey of 1,012 internet users in February 2011 to understand consumer attitudes to and perceptions of cookies. The survey also asked questions on how internet users currently manage internet cookies and sought opinion on the regulatory options that are being considered.
- 20 in-depth interviews and case studies of businesses to analyse the likely impact of the regulatory changes on firms. Firms that were interviewed – both small and large - included hardware manufacturers, browser vendors, intermediaries (such as web analytics and advertising networks) and cookie users (such as advertising agencies, publishers, business-to-consumer and business-to-business e-commerce).

Summary of findings

The findings from the online survey suggested that many users of the internet are not fully aware of the uses of cookies or do not have all the information that they need to make an informed decisions about whether to give consent to the storage of cookies on their terminal equipment. For example:
- 77% of UK internet users are concerned about internet security.
- only 13% of UK internet users believe that they fully understand how cookies work
- only 32% of UK internet users had indicated that they had actively changed their privacy settings on their internet browser to give more privacy but 28% did not check the privacy settings at all and another 20% of respondents reviewed their browser settings but did not change them.

The findings of the business case studies were that:
- The 'Enhanced browser settings' option was seen as the least disruptive for the general management of internet cookies. Generally, the view was that this method would be preferable in terms of maintaining the user experience online.
- The selection of default options is seen as critical as a determinant of consumer behaviour.
- Browser vendors are commonly seen as the potential 'first mover' in providing the technical framework for the communication of information and settings with websites. Standardisation in browser settings and format across browsers is seen as desirable to minimise the costs for other businesses.
- It would be desirable to provide consistent presentation of information to end users.
- Enhanced information / "eye icon" for third party behavioural advertising is seen as a special case and greater regulation and information are justified and conceded unanimously.
- The speed of response required for implementation (late May) is extremely challenging for business.
- interviewees cited the extended planning/implementation period required (typically over six months).

We are publishing [the initial findings/executive summary] today. The full report is expected to be published in April, accompanying the Government response and the Impact Assessments on the consultation on the implementation of the revised EU electronic communications framework.