



WHITE PAPER

Internet Trust Marks: Building Confidence and Profit Online





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DISPLAYING A TRUST MARK

A trust mark is a form of advertising that informs online shoppers that your site has been authenticated by a trusted third party and that they can shop with confidence. And like all display advertising, it has to be seen in order to work. Hence a trust mark needs to be visible on every page where a shopper even thinks of initiating a transaction. The home page is a given. But the mark should also be placed on every page where there is a Buy button or customer login is required to strengthen shopper conviction. And it should figure prominently on the Checkout page, to combat shopper anxiety and help protect shopping carts from last-minute abandonment.

Internet Trust Marks: Building Confidence and Profit Online

+ Introduction

You might not know it judging from the last few Cyber Mondays—those blitzes of online shopping ushering in the December holidays—but many Internet merchants are leaving significant dollars on the table. And they are doing so every single day of the year.

The fear of fraud, spoofing, phishing, identity theft, and lax Web site security still have a sizeable percentage of consumers wary of using credit cards online. In a Forrester Research, Inc. survey conducted in December 2005, 24 percent of respondents said that security concerns had caused them to discontinue shopping online, while a full 61% of respondents had at least cut back their online commerce due to security concerns.¹ Likewise, Unisys Corporation's Trusted Shopping Index (TEI) indicates that these fears may be keeping as many as 50 percent of consumers from using credit cards online.² Clearly, widespread consumer confidence is simply not there, and it's equally clear that consumers consider it the responsibility of online businesses to alleviate their security concerns; the same Forrester survey shows that a staggering 84 percent of shoppers do not believe that online retailers are doing enough to keep them safe.

This paper examines how recent trends in Internet trust marks can restore online shopping confidence, get more people to shop, and as concluded by at least one recent study, even help induce those who do shop to spend more money. Having the right level of Web site security in place is not enough to turn the tide. Online merchants need to advertise their investment in security and their commitment to shopper safety. As proven time and again, trust marks are one of the best ways of doing so.

+ Why trust marks?

Trust marks have a long history in the online world, but their use has really taken off since the middle of this decade. VeriSign's original mark was among the first. Like a Board of Health placard in a restaurant window, a trust mark on a Web site immediately telegraphs important information about the business and its practices, enabling shoppers to decide whether it's safe to buy or not.

In the brick and mortar world, shoppers can easily look for clues regarding the trustworthiness of a store or restaurant, from employee demeanor to dirt in the corner. But in the online world, it is much harder to know for sure whether a site is trustworthy. It is all too easy to fake an online storefront—it is done all the time, and very convincingly, with the express intent of capturing unwary individuals' personal information and credit card numbers.

A trust mark posted on the site, on the other hand, tells would-be shoppers that a creditable third party such as VeriSign has judged certain aspects of the business and found the site to be trustworthy in regard to those aspects.

¹ *Internet Retailer*, March 2006, "Hand-Holding, Fraud-Wearry Consumers Look for the Seal of Approval."

² *Internet Retailer*, April 12, 2007, "Fraud Fears Prevent Half of Consumers from Shopping Online with Bank Cards."

+ What trust marks prove

You can be a large and well-known retailer or service provider. You can invest in world-class security and consumer privacy measures. You can post your policies prominently on your site for all to read. But trust marks can actually prove that a trusted third party has judged that you are who you say you are in the online world, that you have what you claim to have in the way of security, or that that your measures are of the right type and are sufficient.

Most trust marks rest on research, as does the VeriSign Secured® Seal. The VeriSign Secured Seal can be displayed by any online business that holds a valid VeriSign® SSL Certificate. The issuance process involves thorough research of the business to confirm its authentic identity and to confirm that you are in fact sharing your personal information with the business you believe you are. This authentication process depends on time-tested methods that have proven reliable for more than three million SSL Certificates in over a decade. Because SSL Certificates are the fundamental enabler of encrypted communication between popular browsers and Web sites, the presence of the VeriSign Secured Seal also indicates that this business has the capability to securely encrypt confidential information coming in to the Web site in question.

The most popular trust mark today is the VeriSign Secured Seal, which indicates that a Web site has been authenticated and also indicates the presence of encryption available. Other marks can indicate a variety of properties of Web sites. For example, one popular category of trust mark is the security scan seal such as Hacker Safe from McAfee. These seals indicate that a site's network perimeter has undergone and passed a standardized security scan for network vulnerabilities. Together, these two types of seals comprise a comprehensive statement about the security of a customer's data.

These two leading signs say different things about a business. The VeriSign Secured Seal vouches that the site is real and that the business has taken steps to ensure that personal data submitted through the site is protected from interception. Hacker Safe on the other hand indicates that the site's infrastructure is not likely to be compromised by hackers in search of shoppers' personal data.

Other categories of mark speak to different aspects of a site's performance. For example, the Better Business Bureau has an online trust mark that indicates certain facts about a business's established nature, its willingness to resolve disputes, and its relatively clean complaint record from customers. Likewise, the eTRUST seal indicates that an online business has a published privacy policy that prohibits sharing critical customer information with unauthorized parties. As you can see, each of these popular seals vouches for a different component of the online business's overall trustworthiness.



If a merchant has room for multiple trust marks, using the VeriSign Secured Seal and other seals in tandem sends a powerful message. If there is room for only one mark, the best approach is to display the most recognized mark.



+ Recognition—the true power of a trust mark

Ultimately it is consumer recognition that gives a trust mark its teeth. If consumers are not familiar with a particular mark and do not understand what it is saying about the site, they will likely not gain any confidence from it.

Online business looks to three critical metrics to determine the value of an individual trust mark on a site.

- **Level of display:** How many sites use the mark? What presence does the mark have among leaders of specific segments such as online retail, banking, insurance, securities trading, or healthcare?
- **Number of exposures:** How many site visitors view this online mark in a given time period?
- **Recognition:** What level of awareness of the mark does the public have, and what is the public's perception of what this mark indicates.

The VeriSign Secured Seal is displayed on more than 90,000 sites, far more sites than any other trust mark in history. It is viewed more than 150 million times a day, a figure that no other mark even approaches. And it is the most recognized trust mark worldwide, with 79 percent online consumer recognition in the U.S., according to research conducted by market research firm TNS.

+ Leveraging trust marks to drive competitiveness, revenue, and profits

At its beginning this paper observed that many online merchants are leaving money on the table due to consumer fears. Allaying these fears through the use of trust marks can help drive not only increased transactions but also larger Average Sales Prices (ASPs) and therefore potential profit through higher prices.

Trust marks clearly help reduce shopping cart abandonment and build sales. In 2005, market researcher TNS discovered that 70 percent of surveyed online shoppers had at least once abandoned a site due to security concerns. 90 percent of these would-be shoppers said they would have completed the sale if they had seen a trust mark that they recognized.

Determined to establish consumer confidence in its online portal, pan-European travel service Opodo posted the VeriSign Secured Seal on select payment pages and experienced a 10 percent increase in completed sales compared to pages without this seal. A 10 percent increase in completed sales can have enormous impact on revenues and profits, and Opodo wasted no time in placing the mark on all payment pages across its sites.

Just as significantly, studies have revealed a willingness on the part of consumers to pay more for items if their online safety is ensured. A recent study conducted by Carnegie Mellon Usable Privacy and Security Lab and presented at the 2007 Workshop on the Economics of Information Security revealed that shoppers would spend up to 60 cents extra for a \$15 item when they thought privacy protections were in place. That's a four percent boost in margin, and online merchants can use that extra margin either to increase profitability or to drive more money into marketing to grow their businesses.

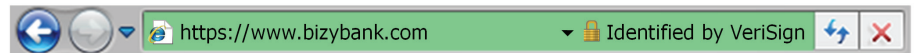
For example, if a merchant is currently underselling the competition, it can raise its prices by a few percentage points under the protective umbrella of a recognized trust mark, take the extra profit, and still be ahead in the competitive game. And this potential extra profit is significant. Depending on the business and its products, a four percent boost in margin could conceivably boost a company's total profitability by as much as 100 percent.



+ Trust marks evolving to new levels—green address bar means “go”

Almost all online crime involves someone pretending to be someone they are not. Trust marks are continuing to evolve to be more proactive and graphic in fighting online impersonation and fraud, and in doing so they help to expand online commerce. One particularly promising approach has been to build fraud detection capabilities into the Internet browser itself.

To this end, a new type of SSL Certificate, the Extended Validation or EV SSL Certificate, debuted at the end of 2006, leveraging security functionality embedded in the browser. The technology has now achieved enough market acceptance to objectively measure its effectiveness.



Online businesses applying for EV SSL Certificates undergo extensive evaluation, with extra rigorous steps over and above a standard SSL Certificate evaluation. Functionality embedded in a high security enabled browser such as Microsoft® Internet Explorer 7 proactively recognizes when an EV SSL Certificate is in place on a Web site and then graphically indicates that the site's identity is known to be highly authenticated. Specific visual clues include the address bar turning green and a special field appearing with the name of the entity that owns the site along with the name of the security provider that issued the certificate.

Consumer recognition of the value of EV SSL is extremely high. In a recent study conducted by computer usability firm Tec-Ed, Inc., 93 percent of participants said they would feel more secure doing business on a site displaying the green EV bar. Importantly, the experience of some internet retailers may indicate that consumers are demonstrating this extra confidence with their wallets.

Online retailing giant Overstock.com—the second organization to be issued an EV SSL Certificate following VeriSign—set out to measure the difference in abandonment rates between site visitors on EV-enabled versus non-EV-enabled browsers. Both groups could see the site's VeriSign Secured Seal, but only those with EV-enabled browsers could see the green address bar. Overstock.com compared abandonment before and after deployment of EV SSL among these two groups and found that abandonment stayed the same among non-EV compatible browsers (as we would expect) but that it decreased an impressive 8.6 percent among those who could see EV SSL's green bar.

Another online organization, DebtHelp.com, measured EV SSL's success in driving form completion. DebtHelp.com helps consumers find optimal debt solutions, and the information they collect from site visitors is highly sensitive. Consumers are naturally wary of providing this kind of personal data, and therefore the presence of the green address bar signifying an EV SSL Certificate resulted in an 11 percent increase in completed forms.

The third measurement of transaction uplift due to the presence of EV SSL comes from editing services leader Scribendi, Inc. Scribendi provides editing services for all kinds of manuscript and conducts its business completely online. Since manuscripts often contain valuable intellectual property (and because the site also engages in e-commerce transactions using credit cards) Scribendi considers it vital to demonstrate conclusively that it can be entrusted with valuable intellectual property. Scribendi found that using a VeriSign EV SSL Certificate boosted sales conversions by 27 percent during a four month measurement period.

EV SSL is currently the state-of-the-art in verifying a site's trustworthiness, taking trust marks to an entirely new level in increasing user confidence while diminishing the risk of phishing.

**+ Conclusion**

Given persistent concerns over Internet privacy and security, the lack of a recognizable trust mark on a merchant's site is a disservice to consumers. Most customers don't have the tools to verify the presence of adequate security on an e-commerce site, and trust marks fill that role. Merchants who care about their customers need to demonstrate that care constantly. A trust mark is an active demonstration of that commitment.

In strengthening consumer confidence, trust marks are proven to help drive sales, boost margins, and enhance a site's competitiveness. However, a trust mark's effectiveness is proportionate to its recognizability. The VeriSign Secured Seal is far and away the world's most highly recognized Internet trust mark—it is seen in more places, by more people, and with a higher recognition level of its value than any other mark.

VeriSign is continuing to invest in extending consumer awareness of the VeriSign Secured Seal and in promoting leading-edge technologies such as Extended Validation SSL that further extend the value of trust marks—so that consumers and merchants alike can more fully profit from the advantages of the online commerce.

+ Learn More

For more information about VeriSign SSL Certificates, please call 1-866-893-6565 option 3, or 1-650-426-5112 or email: isales@verisign.com.

+ About VeriSign

VeriSign is the trusted provider of Internet infrastructure services for the digital world. Billions of times each day, companies and consumers rely on our Internet infrastructure to communicate and conduct commerce with confidence.

Visit us at www.Verisign.com for more information.