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Upcoming FTC Workshop Focuses on Evaluating and Testing Consumer Disclosures

AUGUST 22, 2016

The Federal Trade Commission has announced the full agenda for its upcoming September 15 workshop examining disclosures made to consumers in the course of making advertising claims and describing privacy practices. The "Putting Disclosures to the Test" workshop is the brainchild of FTC Chief Technologist Lorrie Faith Cranor, and she and the FTC have expressed the hope that the event will generate discussion among industry leaders, academics, and regulators on efforts to improve the evaluation and testing of disclosures.

When soliciting presentations, the FTC highlighted the role of disclosures to prevent advertising from being deceptive, to ensure that privacy policies and other privacy-related disclosures adequately inform consumers about various types of tracking, and that industry-specific disclosures are designed to prevent deceptive claims, leading to speculation that location-tracking notices and privacy language would be emphasized. However, though the final agenda includes experts across a range of different industries and subject-matter backgrounds, the emphasis of the event appears to be on best practices and disclosure methodologies generally. The focus of the day is on six major topic areas:

- methods and procedures to evaluate the effectiveness of disclosures;
- whether and when people notice or pay attention to various types of disclosures;
- how much people understand or comprehend the information presented in disclosures;
- disclosures' impact on consumers' decision making processes;
- case studies; and
- and a look at the future of research on disclosures.

The first panel will look at different methods for evaluating costs and benefits of disclosure for the digital age, which is a subject that appears to be of particular interest to the FTC. Before presenting case studies and research, panels will also address how consumers understand—and respond to —ambiguous and diverse disclosures.

In addition to Professor Cranor, FTC Chairwoman Edith Ramirez and Jessica Rich, Director of the Bureau of Consumer Protection, will deliver remarks. The workshop will be held at the FTC's Constitution Center location at 400 7th Street SW in Washington DC, and a live stream will also be

available. Public comments may also be submitted to the FTC until November 2, 2016, and the full agenda is listed below.

9:15-9:30 a.m. Introductory and Opening Remarks

- Lorrie Cranor, Chief Technologist, FTC
- Edith Ramirez, Chairwoman, Federal Trade Commission

9:30-10:00 a.m. Cognitive Models

 Michael S. Wogalter, Professor Emeritus of Psychology, North Carolina State University "A Cognitive Framework to Assess Disclosure Effectiveness: Communication-Human Information Processing (C-HIP) Model"

10:00–10:30 a.m. Evaluation Procedures and Methods

- Ilana Westerman, CEO and Co-founder of Create with Context, Inc.
 "Evaluation Methodologies for Trusted Experiences"
- Craig Andrews, Department of Marketing, Marquette University "Tradeoffs and Traps in Testing Disclosures"

12:00-1:00 p.m. Comprehension

Moderator:

Ryan Mehm, Attorney, Division of Privacy and Identity Protection, FTC

Panelists:

- Elizabeth Howlett, Department of Marketing, University of Arkansas, Fayetteville
 "Front of Package Nutrition Labeling : One Size Does Not Fit All"
- Susan Kleimann, President, Kleimann Communication Group
 "Going Beyond Words: Assessing Comprehension at a Deeper Level"
- Joel R. Reidenberg, Center on Law and Information Policy, Fordham University "Ambiguity in Privacy Policies"

2:00-3:00 p.m. Impact on Decision Making and Behavior

This session will discuss studies that evaluate the impact that disclosures have on consumers' decision making and behavior.

Moderator:

Janis Pappalardo, Asst. Director for Consumer Protection, Bureau of Economics, FTC

Panelists:

Lillian Ablon, Information Scientist, RAND Corporation
 "Into the Breach: Consumer Attitudes Toward Data Breach Notifications and Loss of

Personal Information"

- Idris Adjerid, Information Systems, Mendoza College of Business, U. of Notre Dame "Framing, Disclosures, and the Rationality of Privacy Choices"
- Ginger Zhe Jin, Director, Bureau of Economics, FTC
 "The Economic Insights of Information Disclosure"
- Adair Morse, Finance Group, Haas School of Business, UC Berkeley
 "Debiasing Disclosures: Progress and More Work Needed"

3:00-4:00 p.m. Case Studies

Moderator:

Hampton Newsome, Attorney, Division of Enforcement, FTC

Panelists:

- Colin Campbell, Dept. of Marketing and Entrepreneurship, Kent State University
 "When Disclosure May Not Be Enough: Social Media, Native Advertising and Multiple Ad Recognition Cues"
- Sarah J. Farnsworth, Vice President, Scientific Affairs, PEGUS Research, Inc.
 "Methods for Testing Consumer Comprehension of Product Labeling: Implications for Putting Disclosures to the Test"
- Manoj Hastak, Dept. of Marketing, Kogod School of Business, American University "Assessing the Efficacy of Qualifying Disclosures in Advertising: Methodological Considerations"
- Heidi Johnson, Office of Research, Consumer Financial Protection Bureau
 "Disclosure Research in the Lab and Online"

4:30-5:20 p.m. The Future of Disclosures?

Moderator:

- Joseph Calandrino, Research Director, Office of Tech. Research & Investigation, FTC

Panelists:

- Serge Egelman, UC Berkeley / International Computer Science Institute "Improving Disclosure through Contextual Integrity"
- Tamar Krishnamurti, Dept. of Engineering & Public Policy, Carnegie Mellon University "A Patient-Centered Approach to Informed Consent"
- Florian Schaub, School of Information, University of Michigan
 "Contextualizing and Personalizing Privacy Notices and Controls"

5:20-5:30 p.m. Closing Remarks

- Jessica Rich, Director, Bureau of Consumer Protection, FTC

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