

## **Comparison of "the privacy policy" between an American and a Chinese e-commerce website (Amazon/Alibaba)<sup>1, 2</sup>**

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### **ABSTRACT**

Nowadays, we can notice that the e-commerce website is becoming more and more important for people's life. Whether they want to command products or services, e-commerce websites can give consumers a consumption pattern convenient and different to traditional consumption patterns. Since the online consumption is inseparable from users' personal information like address, bank account, and preference, the privacy terms should be taken seriously by users.

By selecting Alibaba and Amazon electricity supplier websites, this document compared their privacy policy such as the types of gathering information, uses of cookies, security measures as well as the regulations of minor users, etc. The aims of this document are to find out their differences and similarities, analyze their characteristics, and put forward the suggestion on the construction of privacy policy. This document will help the user to understand the content of the privacy policy of e-commerce websites and try to give them some propositions to protect their personal information.

**Keywords:** privacy policy, e-commerce websites, clause and flaws, security, disclosure

### **INTRODUCTION**

The e-commerce is a dynamic and still booming industry which has Business to Business(B2B), Business to Customer(B2C), Customer to Customer(C2C), Online to Offline(O2O) and some many different types of transaction model. In the 21<sup>st</sup> century, with technological advancement and the popularization of the Internet, people's consumption patterns have changed dramatically. E-commerce has already become an indispensable part for human being's consumption. The e-commerce sector represented \$2304 billion in 2017 and it is expected that this number will increase by more than 100% by 2021. <sup>3</sup>People use e-

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<sup>3</sup> Anne McCafferty, (2011). Internet Contracting and E-Commerce Disputes: International and U. S. Personal Jurisdiction. Retrieved from <https://engagedscholarship.csuohio.edu/cgi/viewcontent.cgi?referer=https://www.google.fr/&httpsredir=1&article=1012&context=gblr>

commerce more and more frequently, but the problem that comes with it is privacy leaks. Since personal information will be recorded during this transaction process where there is quite many private information, the security of personal information is a big issue for the e-commerce platform. According to a survey, there are 92% respondents told that although E-commerce site liable to keep personal data private practically, they disclose personal things.<sup>4</sup> According to another survey, the operator collected personal information without consent, accounting for 62.2% of the total sample survey; the vulnerability of the network service system caused personal information to leak, accounting for 57.4% of the total sample survey.<sup>5</sup> In December 2016, JD.COM, one of the Chinese electric business giants, was leaked revealing 12G of personal information of users, including username, password, email address, telephone number, ID card and other dimensions of information, with tens of millions of data. And from 2015 to 2017, the unauthorized use of a credit card of many Jingdong Baitiao users caused great dissatisfaction among consumers. As a result, E-commerce platforms are trying to maintain user privacy to enhance the user experience. Among them, the privacy policy is an essential agreement.

The privacy policy of e-commerce website refers to the promise made by the e-commerce enterprise when the user accesses the official website of the e-commerce enterprise, and the e-commerce enterprise protects the personal information of the users. The construction of privacy policy of the e-commerce website can reflect a certain extent the degree to which an enterprise attaches importance to protecting the user's personal information, and is a sign of the credibility of the enterprise. In the European Union, there are strict legislation to protect personal information; in the United States and in China, there is no specific legislation to protect personal information on the Internet, and these two countries adopt self-regulation of industry to protect online personal information, so when conflicts about privacy occur, the privacy policy of the e-commerce is an important reference. A project is defined to be "*an investment that requires a set of logically linked and coordinated activities performed over a finite period of time in order to accomplish a unique result in support of a desired outcome*"<sup>6</sup> In e-commerce, every user's single activity is a single project: visiting the website, creating an account, ordering products, returning or replacing the articles, etc. All the projects formed the whole program of e-commerce. The result that e-commerce suppliers want to obtain is that the commercial actions are active and an increasing number of users. All these results have a common pre-condition which is that users read and agree with the privacy policy of the e-commerce websites. The privacy policy, in another word, it is a contract between e-commerce websites and their users. There is the definition of the contract in the project: "*A Contract is an agreement between two or more competent parties in which an offer is made and accepted and each party benefits. The agreement can be formal, informal, written, oral or just plain understood. (By the actions of the parties).*"<sup>7</sup> Since we believe that every user has specific needs

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<sup>4</sup> Muneer et al., J Account Mark, (2018). Data Privacy Issues and Possible Solutions in E-commerce. Retrieved from <https://www.omicsonline.org/open-access/data-privacy-issues-and-possible-solutions-in-ecommerce-2168-9601-1000294.pdf>

<sup>5</sup> China Consumers Association, (2018). Application personal information disclosure report. Retrieved from <http://www.cca.org.cn/jmxf/detail/28180.html>

<sup>6</sup> Adapted from a Linked In discussion initiated by William R. Duncan 1/13/2018-  
<https://www.linkedin.com/feed/update/urn:li:activity:6357416976318558208/>

<sup>7</sup> Lowery, A., D Giammalvo, Paul., Kriel, Jacobus., LeServe, M., Regan, S., & Williams, J., (2015). Managing contracts. Retrieved from <http://www.planningplanet.com/guild/gpccar/managing-contracts-managing-the-contract>

and expectations, e-commerce website needs to answer this demand by managing their tangible assets - their commodity, which can be products and services, as well as their intangible assets such as reputation and quality. In order to meet users' expectations, e-commerce website must manage their project portfolios by providing quality and variable articles and the satisfying policies. In terms of the policies, one of the most important is privacy policy which should be agreed by users before users create their accounts to order on e-commerce websites. At this point, the privacy policy is a kind of written contract between the e-commerce websites and the users: users should agree to the privacy policy in order to start to use the e-commerce website. If both parties honor their part of this contract, then the whole project will successfully start to run.

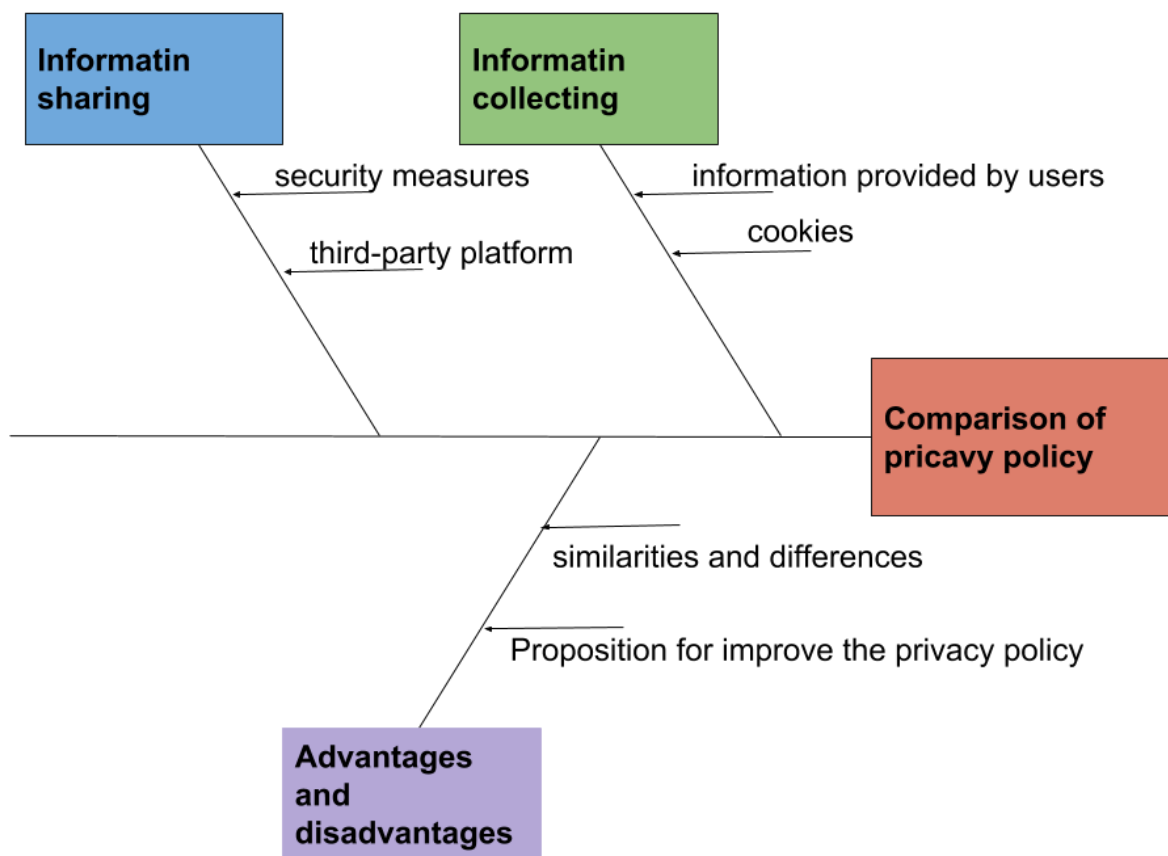


Figure 1: Fishbone Analysis: how to do the comparison of the privacy policy between two e-commerce websites<sup>8</sup>

The aims of this research are

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<sup>8</sup> By author

1. to find out the advantages and disadvantages of e-commerce websites in terms of user privacy protection, focusing on the shortcomings
2. to try to provide a reference for the e-commerce website projects to protect users' privacy
3. to promote the healthy development of e-commerce projects.

By selecting two highly representative and high-impact e-commerce websites of Alibaba and Amazon,

1. this research compares their privacy policies, such as the types of gathering information, uses of cookies, security measures as well as the regulations of minor users, etc.
2. The content of the specific terms of the e-commerce website's privacy policy is analyzed by content analysis, and their privacy policies are compared comprehensively. The characteristics are analyzed, and the problems are found.
3. Then, some propositions to refine the privacy policy are given in order to improve privacy laws and regulations of e-commerce, safeguarding the rights and interests of e-commerce users' personal information protection.

## **METHODOLOGY**

### **Step 1**

Alibaba, JD.com, Amazon or eBay went through dispute processes of customers' privacy in recent years, this phenomenon is not rare and both e-commerce websites and customers worry about the incident about the disclosure of privacy. Thus, understanding and analyzing the privacy terms of different e-commerce websites is important in order to be able to improve privacy laws and regulations of e-commerce, safeguarding the rights and interests of e-commerce users' personal information protection. This paper will focus on these three main questions:

1. What are the similarities and differences between the privacy terms of Alibaba and Amazon and what are their flaws?
2. What are their differences?
3. What are their advantages and flaws which can provide propositions for formulating privacy policy project of e-commerce websites?

### **Step 2**

#### **Feasible Alternative SOLUTIONS**

Below are the feasible alternative solutions that can provide a different angle to do the comparison of privacy policy between Amazon and Alibaba. These alternatives mainly come from the privacy policies of Amazon and Alibaba, as well as the studies of specialists in terms of contract and policies.

### **Solution 1: The collection of users' information:**

There are approximately five ways of these two e-commerce websites to collect users' information<sup>9</sup>: user-provided information, automatically acquired information, information from third-parties or other sources, mobile devices, and email communications. By comparing them, it is not difficult to find that Amazon and Alibaba collect users' information with some same ways and some different ways. See figure 2 for details

	User-provided	Automatically acquired	Third-parties and other sources	Mobile devices	Emails communications
Amazon	Yes	Yes	Yes	Yes	Yes
Alibaba	Yes	Yes	Yes	Yes	N/A

*Figure 2: Comparison of the collection of users' information<sup>10</sup>*

### **Solution 2: Sharing of information:**

Both Alibaba and Amazon are committed to maintaining the confidentiality of the user's information and will not provide, sell, rent, share and trade the user's personal information for the purpose of satisfying the marketing purposes of the third party.<sup>11</sup> Users' information is only shared with other subjects in the following situations:

- a. Obtain the user's authorization: the user's authorization to share the data is obtained in advance;
- b. Administrative Judiciary<sup>12</sup>: e-commerce companies legally provide users' information to administrative judiciary according to relevant laws and regulations and the requirements of relevant government departments;
- c. Related parties: To protect the legitimate rights and interests of e-commerce enterprises and their related parties or users;
- d. Partners: Share customers' information related to the transaction with third-party sellers or partners;
- e. The respondent: It should be disclosed to the respondent at the request of the complainant so that both parties can handle possible rights disputes;

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<sup>9</sup> Zhou, S., & Wang, W., (Jan-2017). A Comparative Study of Chinese and American Website Privacy Policy, Journal of Modern Information. Retrieved from <http://kns.cnki.net/kcms/detail/detail.aspx?filename=XDOB201701027&dbcode=CJFQ&dbname=CJFDTEMP&v=>

<sup>10</sup> By Author

<sup>11</sup> Xu Jiajing. (2014). Strategy Research of User Privacy Protection in E-commerce, Retrieved from <http://kns.cnki.net/KCMS/detail/detail.aspx?dbcode=CMFD&dbname=CMFD201402&filename=1014294872.nh&v=MDIwNjZZUzdEaDFUM3FUclldNMUZyQ1VSTEtWnVkdkZ5RGdWYjdPVkYyNkdyR3hHdG5Mc1pFY1BJUjhlWDFMdXg=>

<sup>12</sup> Privacy policy of Alibaba, (May-2018), Retrieved from <https://rule.alibaba.com/rule/detail/2034.htm?spm=a271m.8038972.a272z3.57.5ac1495brbKzel>

- f. Third Party Service Provider: User personal information that must be shared with third parties due to product and service needs;
- g. Promotion<sup>13</sup>: Provides services for promotions to other groups of customers on selected websites
- h. Business Transfers<sup>14</sup>: If all assets of an e-commerce website or its affiliates are acquired, the users' information should be part of the transferred assets.

See figure 3 for details.

	User's authorization	Administrative Judiciary	Related parties	Partners	Respondent	Third party service provider	Promotion	Business transfers
Amazon	Yes	N/A	N/A	Yes	N/A	Yes	Yes	Yes
Alibaba	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A

*Figure 3: Comparison of information sharing<sup>15</sup>*

**Solution 3: Uses of cookies<sup>16</sup>:**

When an e-commerce user uses an e-commerce site, the site saves the user's login status and assigns one or more cookies to it. "An HTTP cookie is a small piece of data sent from a website and stored on the user's computer by the user's web browser while the user is browsing."<sup>17</sup> If the user does not manually delete it, the cookie will be permanently saved on the user's computer. Users can delete cookies and they can block cookies, such as the option to "Do not use cookies" or "Notify me in advance when using cookies." See Figure 4 for details.

	Whether to use cookies	Whether to install cookies automatically	Purpose of using cookies	Whether to use web beacon
Amazon	Yes	Yes	Yes	N/A
Alibaba	Yes	Yes	Yes	Yes

*Figure 4: Comparison of uses of cookies<sup>18</sup>*

<sup>13</sup> Amazon privacy notice, (August-2017), Retrieved from <https://www.amazon.com/gp/help/customer/display.html?ie=UTF8&nodeId=468496>

<sup>14</sup> Amazon privacy notice, (August-2017), Retrieved from <https://www.amazon.com/gp/help/customer/display.html?ie=UTF8&nodeId=468496>

<sup>15</sup> By Author

<sup>16</sup> Mantelero, A., & Vaciago, G., (2015). Data protection in a big data society. Ideas for a future regulation. Digital Investigation, Retrieved from <https://www.sciencedirect.com/science/article/pii/S1742287615001048>

<sup>17</sup> Definition of “HTTP cookie” on Wikipedia, Retrieved from [https://en.wikipedia.org/wiki/HTTP\\_cookie](https://en.wikipedia.org/wiki/HTTP_cookie)

<sup>18</sup> By Author

#### **Solution 4: Security measures**

After analysis and comparison, both Alibaba and Amazon encrypt the information input by users through the network security layer software (SSL) to protect the security of the information. In terms of policy development, Amazon is telling users that only the last four digits of the user's credit card number will be displayed when confirming the order, and reminding the user to ensure that when sharing a computer or mobile device with others, immediately log out to ensure security after use.<sup>19</sup> Different to Amazon, Alibaba mainly focuses on the technical aspects including information encryption storage, data center access control and strict management of employees who can access information, adopting different authority control to sign confidentiality agreements, monitoring them and other measures to ensure user information security. And users are required to understand that “No data transmission over the internet or any wireless network can be guaranteed to be perfectly secure.”<sup>20</sup> If information leakage occurs, the user should immediately contact customer service to solve the problem.

#### **Solution 5: Relations with Third parties**<sup>21</sup>

The e-commerce website will contain links to other websites, namely third-party links. Amazon and Alibaba have similar provisions on the terms of the privacy policy: they are not under control and will not be responsible for the privacy and security policies of any third party or affiliates, and will not be responsible for the privacy protection of external links. In addition, the website may add links to partners and related external websites at any time. Before users provide personal information to a website on an external link, the website strongly recommends that users review the privacy and security policies of all third parties and affiliates to understand how they handle the information that may be collected from users. If the privacy policy conflicts with the privacy policy of this website, the third-party privacy policy shall prevail.

#### **Solution 6: Regulations of minor users**<sup>22</sup>

Visitors to e-commerce websites are not authorized to use the site's services if they are minors, and the services provided by the website may only be used with the participation or authorization of a parent or guardian. Alibaba stated that if they collect the personal information of a minor without their knowledge,

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<sup>19</sup> Amazon privacy notice, (August-2017), Retrieved from  
<https://www.amazon.com/gp/help/customer/display.html?ie=UTF8&nodeId=468496>

<sup>20</sup> Privacy policy of Alibaba, (2018), Retrieved from  
<https://rule.alibaba.com/rule/detail/2034.htm?spm=a271m.8038972.a272z3.57.5ac1495brbKzel>

<sup>21</sup> Xu Jiajing. (2014). Strategy Research of User Privacy Protection in E-commerce, Retrieved from  
<http://kns.cnki.net/KCMS/detail/detail.aspx?dbcode=CMFD&dbname=CMFD201402&filename=1014294872.nh&v=MDIwNjZZUzdEaDFUM3FUclldNMUZyQ1VSTEtWnVkdkZ5RGdWYjdPVkYyNkdyR3hHdG5Mc1pFYlBJUjhlWDFMdXg=>

<sup>22</sup> By Author

they will remove it immediately after they know it.<sup>23</sup> For this policy, Amazon and Alibaba have the same attitude, the policy provisions are almost the same.

### **Attributes to measure, assess or evaluate each alternative**

In order to assess the different alternatives exposed above, setting a list of attributes will enable to find out the advantages and shortcomings of the terms of privacy policy. All the solutions will be evaluated by these attributes.

1. Expression<sup>24</sup>: We mainly choose the English version of these two websites to do the comparison. The expression is very important for everything that should be presented on written. If an article contains more interrogative sentences or uses the first-person perspective, it will be more attractive for readers and it will be easy to grab the readers' interest.
2. Degree of detail<sup>25</sup>: Although there are many similar aspects in the privacy policies of these two e-commerce websites, terms with more details and explanation will be more useful references when incidents or disputes occur.
3. Readability<sup>26</sup>: There is no doubt that articles with clear structure enable people easy to read and understand.
4. Links<sup>27</sup>: Accurate links in policy, which are kind of references for users, can facilitate them deeply understand the policy.
5. Impact on the relationship<sup>28</sup>: This attribute will assess whether the alternative impact badly or not

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<sup>23</sup> Privacy policy of Alibaba, (2018), Retrieved from  
<https://rule.alibaba.com/rule/detail/2034.htm?spm=a271m.8038972.a272z3.57.5ac1495brbKzel>

<sup>24</sup> Cao Zhifang, (2012). Research on parole characteristics and parole specifications of the contemporary contract. Retrieved from  
<http://kreader.cnki.net/Kreader/CatalogViewPage.aspx?dbCode=cdmd&filename=1012397105.nh&tablename=CMFD2012&compose=&first=1&uid=>

<sup>25</sup> Younghoon, C., Siew Fan, W., Christian, F., & Hwansoo, L.. (April 2018). The role of privacy policy on consumers' perceived privacy, Retrieved from  
<https://www.sciencedirect.com/science/article/pii/S0740624X17301946>

<sup>26</sup> Cao Zhifang, (2012). Research on parole characteristics and parole specifications of the contemporary contract. Retrieved from  
<http://kreader.cnki.net/Kreader/CatalogViewPage.aspx?dbCode=cdmd&filename=1012397105.nh&tablename=CMFD2012&compose=&first=1&uid=>

<sup>27</sup> Younghoon, C., Siew Fan, W., Christian, F., & Hwansoo, L.. (April 2018). The role of privacy policy on consumers' perceived privacy, Retrieved from  
<https://www.sciencedirect.com/science/article/pii/S0740624X17301946>

<sup>28</sup> Barriet, E. (2018). Comparison of “the terms of use” between an American and a French video sharing website (YouTube/ Dailymotion), *PM World Journal*, Volume VII, Issue IX – September. Available online at



the relationship between users and e-commerce websites.

6. Transparency<sup>29</sup>: transparency is significant to measure corporate integrity.

7. Legal Compliance<sup>30</sup>: This attribute will assess how the e-commerce company comply laws and regulations

### **Step 3 - Development of the Feasible Alternatives**

We chose those 5 attributes because they related to the quality of privacy policy in a certain way. To assess those 5 attributes and rank them from best to worst, a non-compensatory model based on a disjunctive reasoning is used. This method “take a look at all the attributes and conduct a Pair-Wise comparison to determine which attributes are the most important by asking “which is more important?” and give a score of 1 to the winning option, and a score of 0 to the losing option”.<sup>31</sup>

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<https://pmworldjournal.net/wp-content/uploads/2018/09/pmwj74-Sep2018-Barruet-comparing-american-and-french-video-sharing-websites-student-paper.pdf>

<sup>29</sup> Ben Davis, (2017). GDPR: How to create best practice privacy notices (with example). Retrieved from: <https://econsultancy.com/gdpr-best-practice-privacy-notices-examples/>

<sup>30</sup> Factset, (2017). Privacy policy and legal statement. Available online at <https://www.factset.com/privacy>

<sup>31</sup> Sullivan, Wickes & Kroelling (2014). Engineering Economics 15th Edition Using the approach. Retrieved from: <http://www.planningplanet.com/guild/gpccar/managing-change-the-owners-perspective>

	Impact on the relationship <sup>32</sup>	Links <sup>33</sup>	Readability <sup>34</sup>	Degree of detail <sup>35</sup>	Expression <sup>36</sup>	Transparency <sup>37</sup>	Legal Compliance <sup>38</sup>	Ordinal ranking
Legal Compliance	1	0	0	1	0	1		3
Transparency	1	1	0	0	0		0	2
Expression	1	1	0	1		1	1	5
Degree of detail	1	1	1		0	1	0	4
Readability	1	0		0	1	1	1	4
Links	0		1	0	0	0	1	2
Impact on the relationship		1	0	0	0	0	0	1

Figure 5: Attributes<sup>39</sup>

With this assessment method, it is clear to observe that the most important attributes are the expression, readability, and degree of detail, then they are the legal compliance, transparency, and links. The worst attribute according to this method is the Impact on the relationship.

#### Step 4- Selection of the Criteria to ACCEPT or REJECT the Alternative Solutions

<sup>32</sup> Barruet, E. (2018). Comparison of “the terms of use” between an American and a French video sharing website (YouTube/ Dailymotion), *PM World Journal*, Volume VII, Issue IX – September. Available online at <https://pmworldjournal.net/wp-content/uploads/2018/09/pmwj74-Sep2018-Barruet-comparing-american-and-french-video-sharing-websites-student-paper.pdf>

<sup>33</sup> Younghoon, C., Siew Fan, W., Christian, F., & Hwansoo, L.. (April 2018). The role of privacy policy on consumers’ perceived privacy, Retrieved from <https://www.sciencedirect.com/science/article/pii/S0740624X17301946>

<sup>34</sup> Cao Zhifang, (2012). Research on parole characteristics and parole specifications of the contemporary contract. Retrieved from <http://kreader.cnki.net/Kreader/CatalogViewPage.aspx?dbCode=cmdm&filename=1012397105.nh&tablename=CMFD2012&compose=&first=1&uid=>

<sup>35</sup> Younghoon, C., Siew Fan, W., Christian, F., & Hwansoo, L.. (April 2018). The role of privacy policy on consumers’ perceived privacy, Retrieved from <https://www.sciencedirect.com/science/article/pii/S0740624X17301946>

<sup>36</sup> Cao Zhifang, (2012). Research on parole characteristics and parole specifications of the contemporary contract. Retrieved from <http://kreader.cnki.net/Kreader/CatalogViewPage.aspx?dbCode=cmdm&filename=1012397105.nh&tablename=CMFD2012&compose=&first=1&uid=>

<sup>37</sup> Ben Davis, (2017). GDPR: How to create best practice privacy notices (with example). Retrieved from: <https://econsultancy.com/gdpr-best-practice-privacy-notices-examples/>

<sup>38</sup> Factset, (2017). Privacy policy and legal statement. Available online at <https://www.factset.com/privacy>

<sup>39</sup> By Author

In order to compare the attributes to the alternative solutions proposed in step 1, now a multi-attribute decision-making model based on a qualitative analysis is used. In the model below, we used 3 colors:

Green= Amazon is better  
 Yellow= equal  
 Red= Alibaba is better

	The collection of users' information	Sharing of information	Uses of cookies	Security measures	Relations with Third parties	Regulations of minor users
Expression	Amazon	Equal	Alibaba	Alibaba	Amazon	Equal
Degree of detail	Equal	Equal	Alibaba	Alibaba	Equal	Amazon
Readability	Amazon	Amazon	Alibaba	Equal	Amazon	Equal
Legal Compliance	Amazon	Alibaba	Alibaba	Alibaba	Equal	Equal
Transparency	Amazon	Amazon	Alibaba	Alibaba	Equal	Equal
Links	Amazon	Amazon	Alibaba	Amazon	Equal	Amazon
Impact on the relationship	Equal	Equal	Equal	Alibaba	Equal	Equal

Figure 6: Assessment<sup>40</sup>

We will first give a weight for each attribute following this grid

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	Impact on the relationship <sup>41</sup>	Links <sup>42</sup>	Readability <sup>43</sup>	Degree of detail <sup>44</sup>	Expression <sup>45</sup>	Transparency <sup>46</sup>	Legal Compliance <sup>47</sup>	Ordinal ranking	Weight
Legal Compliance	1	0	0	1	0	1		3	0.3
Transparency	1	1	0	0	0		0	2	0.2
Expression	1	1	0	1		1	1	5	0.5
Degree of detail	1	1	1		0	1	0	4	0.4
Readability	1	0		0	1	1	1	4	0.4
Links	0		1	0	0	0	1	2	0.2
Impact on the relationship		1	0	0	0	0	0	1	0.1

<sup>41</sup> Barruet, E. (2018). Comparison of “the terms of use” between an American and a French video sharing website (YouTube/ Dailymotion), *PM World Journal*, Volume VII, Issue IX – September. Available online at <https://pmworldjournal.net/wp-content/uploads/2018/09/pmwj74-Sep2018-Barruet-comparing-american-and-french-video-sharing-websites-student-paper.pdf>

<sup>42</sup> Younghoon, C., Siew Fan, W., Christian, F., & Hwansoo, L.. (April 2018). The role of privacy policy on consumers’ perceived privacy, Retrieved from <https://www.sciencedirect.com/science/article/pii/S0740624X17301946>

<sup>43</sup> Cao Zhifang, (2012). Research on parole characteristics and parole specifications of the contemporary contract. Retrieved from <http://kreader.cnki.net/Kreader/CatalogViewPage.aspx?dbCode=cdmd&filename=1012397105.nh&tablename=CMFD2012&compose=&first=1&uid=>

<sup>44</sup> Younghoon, C., Siew Fan, W., Christian, F., & Hwansoo, L.. (April 2018). The role of privacy policy on consumers’ perceived privacy, Retrieved from <https://www.sciencedirect.com/science/article/pii/S0740624X17301946>

<sup>45</sup> Cao Zhifang, (2012). Research on parole characteristics and parole specifications of the contemporary contract. Retrieved from <http://kreader.cnki.net/Kreader/CatalogViewPage.aspx?dbCode=cdmd&filename=1012397105.nh&tablename=CMFD2012&compose=&first=1&uid=>

<sup>46</sup> Ben Davis, (2017). GDPR: How to create best practice privacy notices (with example). Retrieved from: <https://econsultancy.com/gdpr-best-practice-privacy-notices-examples/>

<sup>47</sup> Factset, (2017). Privacy policy and legal statement. Available online at <https://www.factset.com/privacy>

*Figure 7: Weight of the attributes<sup>48</sup>*

The bigger the weight, the better for the formulating privacy policy project.

And then weight these attributes to obtain the relative weighted result.

	Expression	Degree of detail	Readability	Legal Compliance	Links	Transparency	Impact on the relationship	Total
Amazon	1	0.4	1.2	0.3	0.8	0.4	0	4.1
Alibaba	1	0.8	0.4	0.9	0.2	0.4	0.1	3.8
Better Solution	Equal	Alibaba	Amazon	Alibaba	Amazon	Equal	Alibaba	Amazon

*Figure 8: Relative weight of Amazon and Alibaba<sup>49,50</sup>*

	The collection of users' information	Sharing of information	Uses of cookies	Security measures	Relations with Third parties	Regulations of minor users
Amazon	1.6	0.8	0	0.2	0.9	0.6
Alibaba	0	0.3	2	1.5	0	0
Better Solution	Amazon	Amazon	Alibaba	Alibaba	Amazon	Amazon

*Figure 9: Relative weight of each feasible solution<sup>51</sup>*

Therefore, thanks to this method, we can find that Amazon's privacy policy is generally better than Alibaba's, but in some respects, Alibaba is doing better, such as Alibaba's Cookie Policy and the degree of detail of its policy.

## FINDINGS

### Step 5

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By using an additive weighting technique<sup>52</sup>, now we summarize the decision-making process of the study. The additive weighting technique enables us to rank the feasible alternatives by comparing the weight of the attributes. As this is a comparison, we can give the value of the result of the assessment in step 4, according to figure 6.

The better = 1.0  
 Equal = 0.5 for each  
 Less = 0

	Step 1	Step2	The collection of users' information		Sharing of information		Uses of cookies		Security measures		Relations with third parties		Regulations of minor users	
			Amazon	Alibaba	Amazon	Alibaba	Amazon	Alibaba	Amazon	Alibaba	Amazon	Alibaba	Amazon	Alibaba
Relative ranking		Normalized weight												
Expression	5	0.5	1	0	0.5	0.5	0	1	0	1	1	0	0.5	0.5
Degree of detail	4	0.4	0.5	0.5	0.5	0.5	0	1	0	1	0.5	0.5	1	0
Readability	4	0.4	1	0	1	0	0	1	0.5	0.5	1	0	0.5	0.5
Legal Compliance	3	0.3	1	0	0	1	0	1	0	1	0.5	0.5	0.5	0.5
Links	2	0.2	1	0	1	0	0	1	1	0	0.5	0.5	1	0
Transparency	2	0.2	1	0	1	0	0	1	0	1	0.5	0.5	0.5	0.5
Impact on the relationship	1	0.1	0.5	0.5	0.5	0.5	0.5	0.5	0	1	0.5	0.5	0.5	0.5
Totals	21	2.1	1.85	0.25	1.3	0.8	0.05	2.05	0.4	1.7	1.5	0.6	1.35	0.75

<sup>52</sup> Sullivan, Wickes & Kroelling (2014) [Engineering Economics](http://www.planningplanet.com/guild/gpccar/managing-change-the-owners-perspective) 15<sup>th</sup>. Adaptation from planning planet. Retrieved from: <http://www.planningplanet.com/guild/gpccar/managing-change-the-owners-perspective>

Amazon	6.45
Alibaba	6.15

Figure 10: Decision-making process by using an additive weighting technique<sup>53</sup>

This method provides a way to rank the different alternatives. The best alternatives are the collection of users' information, sharing of information, relations with third parties and the regulation of minor users of Amazon, as well as uses of cookies and security measures of Alibaba. In general, the privacy policy of Amazon is better than Alibaba's.

### Step 6

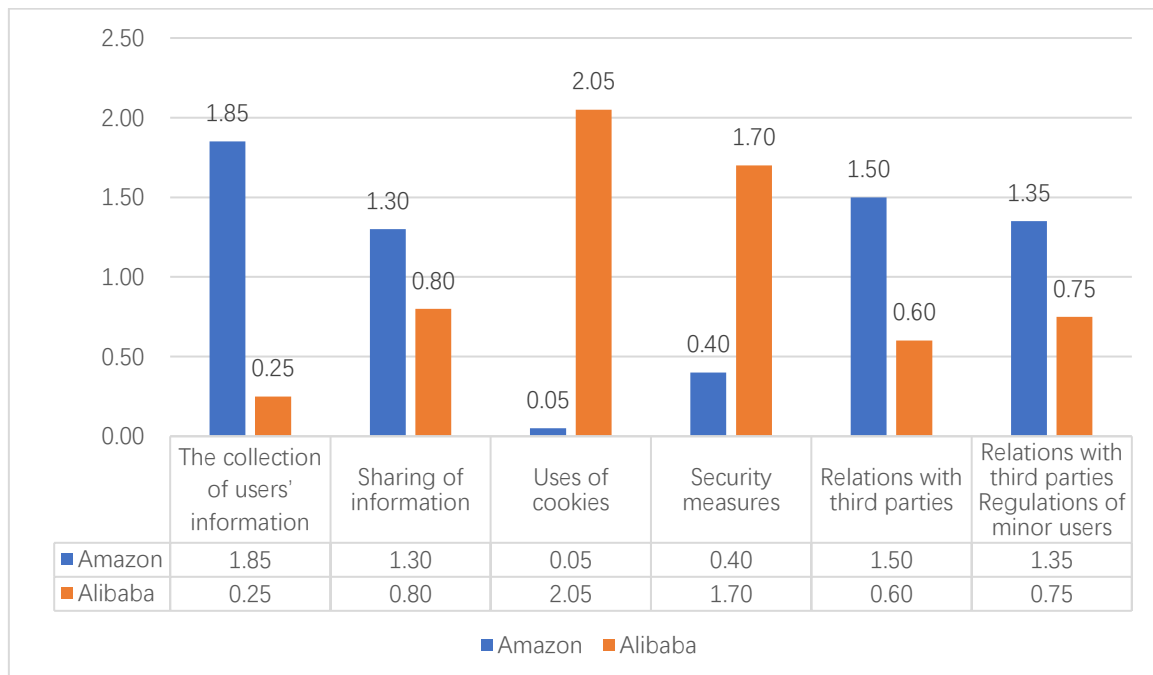


Figure 11: Histogram of the rank of alternatives<sup>54</sup>

With this ranking method and thanks to the analysis made in step 5, we decide to not to keep the Amazon's uses of cookies and security measures. In general, the privacy policy of Amazon is better than Alibaba's, but the uses of cookies and security measures of Alibaba have more details and is more comprehensive. As a result, we highly recommend the privacy policy of Amazon combined with uses of cookies and security measures of Alibaba in order to produce a privacy policy favorite by users.

Why the majority of better choices come from Amazon? In step 3 and figure 10, it is not difficult to observe that the privacy policy of Amazon has an excellent expression, the high level of readability and

<sup>53</sup> By Author

<sup>54</sup> By Author

the numbers of highlighted links. All these elements enable users easy to read and understand the privacy policy of Amazon. All users create an account on the e-commerce website before they agree its privacy policy. Compared to the privacy policy of Alibaba, the Amazon's is like an instruction book with high interest which attracts users to read it. However, even the privacy policy of Alibaba has less fun to read, the clarity and the detailed contents meet the requirements. Especially Alibaba's uses of cookies and security measures, they have more details than Amazon's. These two items of Alibaba enable users to deeply understand the e-commerce website's privacy policy.

**Step 7**

Now we have already compared the privacy policies of Amazon and Alibaba. And we highly choose Amazon's combined with Alibaba's uses of cookies and security measures as the best alternative to create a privacy policy of an e-commerce website. Now we can conduct a Pareto analysis in order to justify the effect of our best alternative to build a privacy policy. “A Pareto Analysis enables the project control practitioner to identify the “significant few” from the “insignificant many” and use that information to prioritize which problems should be addressed”.<sup>55</sup>

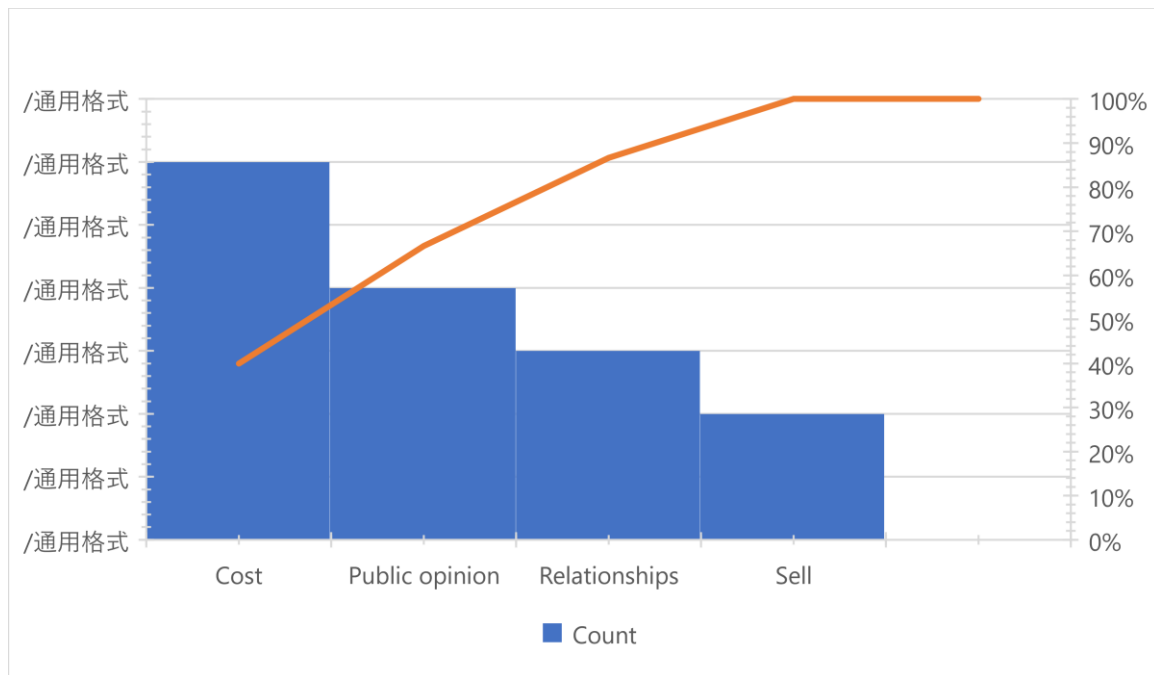


Figure 12: Impact of privacy policy without our best alternative<sup>56</sup>

In this first analysis we can observe that without our best alternative, the privacy policy is going to highly impact the cost of the e-commerce, the public opinion but also the relationships, because an incomplete

<sup>55</sup> DoE [Cost Estimating Guidelines](http://www.planningplanet.com/guild/gpccar/risk-opportunity-monitoring-and-control) – Adaptation from Planning Planet (2015 – nov) – Risk opportunity monitoring and control. Retrieved from: <http://www.planningplanet.com/guild/gpccar/risk-opportunity-monitoring-and-control>

<sup>56</sup> By Author



privacy policy will stimulate the disputes on personal information disclosure event which made the e-commerce company spend more cost to resolve the problem.

Let's see how the impact of privacy policy with the use of our best choice.

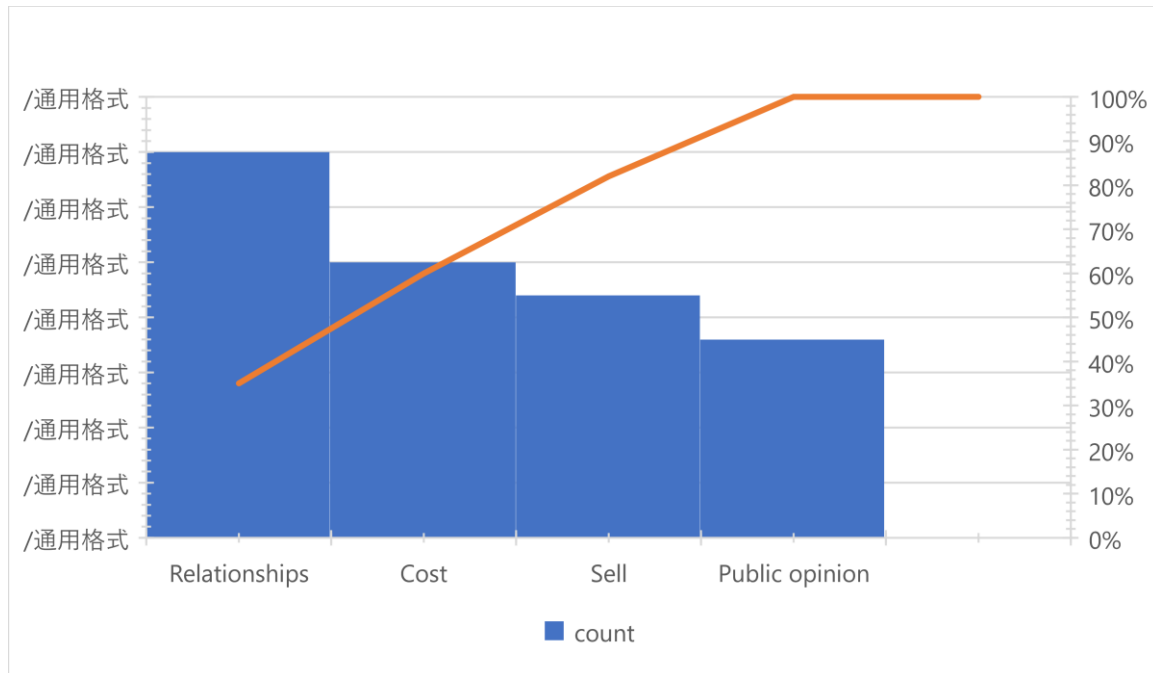


Figure 12: Impact of privacy policy with our best alternative<sup>57</sup>

From this, we can see that when the e-commerce company use our best choice, the impact of privacy policy regarding the relationships between users and e-commerce websites, cost, the public opinion, and the sell is less important. Because a comprehensive privacy policy enables the users to feel their information safe and also it can enable the e-commerce website to avoid the majority of unnecessary disputes and events about the users' privacy.

## CONCLUSION

The goal of this paper was:

1. to find out the advantages and disadvantages of e-commerce websites in terms of user privacy protection, focusing on the shortcomings
2. to try to provide a reference for the e-commerce website projects to protect users' privacy
3. to promote the healthy development of e-commerce projects.

Through this paper, we have compared the privacy policies of Amazon and Alibaba which are two giants in the e-commerce world. We especially chose six items of their privacy policy which are the collection of users' information, sharing of information, uses of cookies, security measures, relations with third

<sup>57</sup> By Author

parties and regulations of minor users. These are the most important items of privacy policy which form the main content. We have explained each alternative and assessed the impact of each regarding our specific topic. By using the quantitative method, we can observe that the privacy policy of Amazon is better, the main reason is that its expression makes users easy to understand and the structure of the policy has a high level of readability. However, the Alibaba's degree of detail is better, especially its uses of cookies and security measures which are two items comprise many explanations of its techniques. From this, we highly suggest an e-commerce company which wants to create its privacy policy to use these two giants' privacy policy as references. A good privacy policy should interest the users to read it and facilitate the research process of users. In conclusion, an e-commerce company should pay attention to its privacy policy and continue its amelioration in order to maintain a healthy e-commerce environment.

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