



WhitePaper

Building Online Trust Using Actual Relationships

Investigating an emerging paradigm using components of
KmikeyM.com's VTac for managing online relationships

Building Internet Trust With Actual Relationships, Not Technology

Millions of websites offering goods and services online all have the same problem: they need to present themselves as reputable businesses that consumers can trust with their personal and financial information. While there are dozens of companies who claim to "verify" the identities of these businesses via SSL and EV SSL certificates, the question remains: who is verifying these providers?

There are several concerns companies and consumers still need to worry about when relying on technology-based trust; this is why trust based on actual, real-life relationships will always be superior. This is what VTac offers to its satisfied clients.

Online Crime Skyrockets in an Ever-Expanding Internet Marketplace

According to the Internet Crime Complaint Center (IC3), crime online was up 22.3% in 2009, with 336,655 complaints submitted to its website, compared to 275,284 complaint submissions in 2008. The cost to consumers: \$559.7 million.

The categories for Internet crime are wide-ranging, including:

- Auction fraud
- Non-delivery of merchandise
- Credit card fraud
- Computer intrusions
- Spam/unsolicited email
- Child pornography

With Internet crime on the rise, reinforcing consumer confidence has never been more important for businesses with an online presence. E-commerce sales continue to burgeon: according to eMarketer, they will exceed \$182 billion in 2010: a more than 10% jump from the previous year.

For Online Retailers, a Lack of Trust Equals a Loss of Billions of Dollars

The ongoing rise in online sales indicates that millions of consumers are more than willing to shop online--but only with websites they can trust. The threat of identity theft is still topmost in people's minds: 75% of Internet consumers specify it as their primary concern, according to Taylor Nelson Sofres.

In addition, many express concerns about what online retailers will do with their personal information. According to recent studies, 39% believe they will sell it to other companies.

What is the cost of this distrust to businesses? A study by Javelin Strategy and Research indicates that online retailers missed out on \$21 billion in 2008 alone. What is the solution? Consumers are demanding extra assurances from online retailers that they are honest, truthful, and trustworthy.

SSL and Extended Validation Certificates: A Problematic Solution

To help assuage concerns about Internet safety, the Secure Sockets Layer (SSL) Protocol was created in 1994. This mechanic provided an encrypted data path between Internet users and servers--first with the Data Encryption Standard (DES), and then the Advanced Encryption Standard (AES)--to protect their information from falling into the wrong hands.

SSL certificates also verify the identity of a website, so consumers know they are doing business with an authentic site and aren't being tricked by "phishers," who create fraudulent clones of reputable sites to gain personal data.

Weaknesses of SSL Certificates

While SSL certificates were certainly a step in the right direction for enhanced Internet security, they failed on several levels. First, the quality standards are not equal between SSL certificate providers. While some perform due diligence and can be trusted, others provide only what is called "weak" validation and merely check a site's Domain Name Registrar information.

Worse, most consumers can't tell the difference between an iron-clad SSL certificate and low-assurance versions--which means they are less likely to trust any of them.

EV SSL Certificates: Created to Bolster Trust, But Still Flawed

Clearly, additional measures needed to be taken, and the CA/Browser Forum responded, creating improved standards for granting SSL certificates in 2007. These Extended Validation (EV) SSL Guidelines created strict, standardized criteria for CAs who issue certificates.

An EV certificate purports to do the following:

- Secure the flow of data between an Internet user and website and protect it from theft
- Provide proof that said Internet user is browsing a "real" website, rather than a fraudulent one

EV SSL Certificates: Pros and Cons

EV SSL Certificates provide several advantages:

- The vast majority of online shoppers feel safer when shopping at websites that display them--about 83%
- Stricter criteria means EV SSL certificates provide a higher level of confidence over SSL certificates

However, like the original SSL certificates, EV certificates provide a crucial weakness:

- Lack of accountability among CAs: who is verifying them?

One of the most well-known issuers of EV SSL certificates in the world, VeriSign, has itself been rife with controversy and distrust. The company

has been accused of domain-slamming, and met with sharp criticism over its Site Finder service, which has since been shut down. The company has also faced instability with the sudden exit of their CEO after just over a year.

Even in today's growing Internet society, technology-based trust isn't as reliable as a personal relationship. Verifying an IP address doesn't hold a candle to meeting a CEO in person and shaking his hand. EV SSL certificates can only go so far because of the inherent limitations of a virtual world.

VTac: A Trust Solution With Integrity

Even in today's climate of online guides and reviews, nothing is as effective in influencing people like a personal recommendation. According to Nielsen Global, 90% of consumers trust the recommendations of individuals they know; 70% trust online recommendations from consumers.

This is what VTac offers: trust based on actual, person-to-person relationships, rather than technologically enhanced "trust." We build ongoing relationships with our clients on both a professional and personal level. We don't merely trace their IP addresses and call it a day. We not only verify a website's identity, but we verify whether they can actually be trusted by consumers--something no other CA offers.

The K5M Validation of Trusted Authenticity Certificate: A True Solution

The verification process of earning a VTac varies from company to company, but each and every organization certified is authenticated by an actual person, rather than data pulled from a computer. This person is K. Mike Merrill, who is also a publicly traded person sometimes known as KmikeyM.

Much like an online recommendation or an endorsement by someone you trust, K. Mike Merrill will personally vouch for any company who passes the rigorous standards set by VTac.

Millions of companies pay VeriSign and other CAs for one reason: to get the "pretty green bar" to show in the browser address bar when consumers visit their sites.

More Than Pixels: VTac Offers a New Type of Green Bar

Companies who earn VTacs also get eye-catching green bars--but they're not mere pixels on a computer screen. Instead, companies who receive VTacs will have a green bar with the company name tattooed on K. Mike Merrill's arm.

KmikeyM doesn't just put his money where his mouth is; he wears his trust on his sleeve. This is tangible evidence of his trust in each company and his commitment to maintaining the highest standards.

If any company violates that trust, the green bar is replaced by a black one and they are permanently barred from getting re-certified by VTac. That's because VTac's trust cannot be bought: it must be earned, and once lost, it is gone forever.

Earn the Trust of Consumers With Certification That Comes From Real Relationships

With a KmikeyM Validation of Trusted Authenticity Certificate, the validity and trustworthiness of a company will be authenticated by an actual person--not a set of algorithms. This is the most powerful recommendation a company can earn, something tangible and human. It is unique to the industry and offers a level of trust they cannot match.

Why settle for a virtual green bar of approval when you can give your customers the peace of mind that comes from an ongoing relationship based on honesty and trust? To learn more today, contact us at VTac.