A Guide To Creating A Privacy Policy

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If you are a business with a company website or running an eCommerce site, your privacy policy should be high on the list of priorities. Privacy policies are used to ensure your business legitimacy and ensure website visitors of a company's compliance with privacy laws such as the **GDPR**.

In a recent Data Privacy Benchmark Study published by Cisco[1], they found strong evidence that privacy has become an even more important priority during the pandemic.

[1] Source: https://newsroom.cisco.com/press-release-content?type=webcontent&articleId=2139315

Privacy budgets doubled in 2020 to an average of $2.4 million[2].

And as cybersecurity threats increase worldwide, more and more consumers are getting concerned about who has their data and how it is used. Studies show that 63% of consumers say most companies aren't transparent about how their data is used and that 54% of consumers say it's more complicated than ever for companies to earn their trust .

This is because consumers care a lot about their privacy, especially when using their personal information online. Providing your customers with a clear picture of why and how you process their data makes them feel secure. That is why you need to have a privacy policy statement that accurately reflects your product's data collection and use.

[2] Source: https://www.cisco.com/c/dam/en_us/about/doing_business/trust-center/docs/cisco-privacy-benchmark-study-2021.pdf

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What you should include in your privacy policy will depend on the nature of your business, where you operate and where your customers are located, the laws applicable to you as the third-party services you use.

In creating your privacy policy, the following points are essential:

The 6 point checklist

1. State the information that you need to collect

Start by telling your users exactly what type of personal data you wish to collect, whether directly or indirectly/automatically, from Identity information, Contact, Profile, and Usage information - list it all out. Some of the data types commonly associated with privacy policies include user names, addresses, contact numbers, emails, IP addresses, and access date and time.
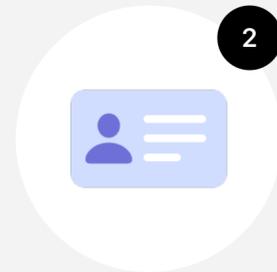
2. Tell your users how you intend to collect personal data from them.

Websites commonly use one or more of the following to collect user data: cookies, surveys, web forms, registration forms, newsletter sign-ups, and order placement. Be transparent and let them know about your collection process.

Suppose you are collecting usage data, tracking geographical location, or using any third-party services for advertising and retargeting purposes. In that case, you should mention it on your privacy policy, as your users may not realize that you are collecting data in the background.
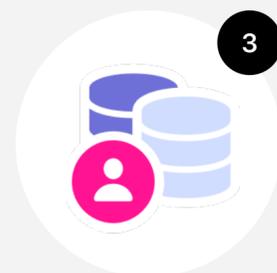
3. Let your users know what will you be doing with their data.

This is the most crucial section of the privacy policy. Using this data to offer a better and more customized experience on your website is different from selling that data to third parties. For users based in Europe, you would specify the legal basis for the collection in compliance with the GDPR.

For example, if you are running an eCommerce site, you should specify that you will use personal information to process payments and ship products to customers. If their data is processed by a third party, such as an online payment processing service provider or your shipping partner, you need to disclose this to your customers.

The 6 point checklist

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Be transparent on where and how long you'll be keeping their data.

Your users should know where you will be storing their data, for how long it will be retained, and if it will be transferred internationally. Ensure transparency about whom you share the user data that you have complied with and for what purpose. If you are using third-party services such as analytics or advertising, highlight this and link to these third-party companies' respective privacy policies.

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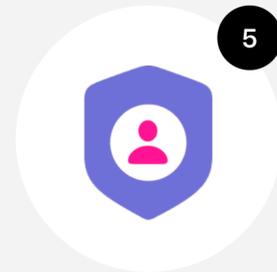
Allow your users to limit what they share and ensure that their data will remain safe and private under your care.

Once you outline which data you collect and why, you should explain that sharing personal information is not mandatory and that users can limit what they share, opt-out, or revoke their consent at any time.

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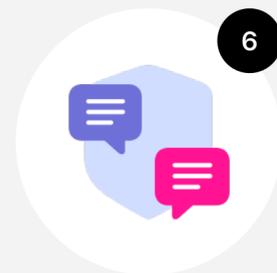
Provide your users with a communication channel that they can use for questions about your policy

Providing your contact information reassure users of your legitimacy and willingness to cooperate to ensure the best online experience for everyone. Adding your social media channels or email address is more than enough, but you can also add an international contact number if you have one.

Review your privacy policy regularly.

Your Privacy Policy isn't a once-off document that you upload on your website and never touch again. Depending on the nature of your business, you may need to add additional terms to your privacy policy. It is essential to review applicable laws and the terms and conditions of all the third-party services that you use, as some require that you have specific clauses in your policy.

Check out our privacy policy check-up at

https://www.puttiapps.com/privacy-policy-check-up/

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