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ONLINE TRUST & INTERNET ENTREPRENEURS

A Kantian Approach

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May, 2010

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Being a successful entrepreneur often requires long hours. Competing on the internet adds the intense "hypercompetitive" nature of this fast paced environment. As a result of all these time pressures, most online entrepreneurs are not giving important ethical decisions their adequate consideration as they release new products and services. Additionally, the academic entrepreneurship literature does not provide any reference for these entrepreneurs to actively ensure they are acting responsibly as they innovate. The paper attempts to fill in this hole by answering answer the question "What constitutes responsible behavior for internet entrepreneurs?" Employing lessons from Immanuel Kant and John Rawls, we have come up with an internet model of online behavior based on respectfulness, transparency and universalizability. Ultimately this model is used to update the FCC's Information Practice Principles with select additions to help guide internet entrepreneurs.

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Introduction

A common stereotype of an entrepreneur is one who wears many hats. The story goes that in large companies, you have the luxury of focusing on one task, while in a small company; you are as likely to be fixing the copy machine as you are to be directing corporate strategy. These days, as soon as you have a business idea, you can start your own business online. Due to the minimal costs of owning and maintaining a website, more and more new e-businesses are launched every day.

Yet the ease of starting your own business does not always lead to easy success. With such incredible numbers of e-businesses comes uninhibited competition. So far, the most often adopted method of rising above this noise is to do something that's never been done before, and to do it quickly. As a result, most entrepreneurs looking to get ahead are rolling out new products and services because they are "innovative," without considering all the ramifications of their actions.

This emphasis on getting to market quickly has often caused entrepreneurs to act irresponsibly. Over the last two decades, there have been increased headlines about even large, experienced online companies making destructive mistakes after not considering all the ramifications of their latest product. The often resulting cry for more responsible online behavior from all online companies is not enough. Instead, if online consumers truly want these companies to be acting responsibly, they must be given a framework that can be used to evaluate the responsibility of their decisions.

In this paper, we attempt to answer the question "What constitutes responsible behavior for Internet entrepreneurs?" Before answering that question, we will first review the loss in online privacy due to the lack of responsible behavior online. Then, we will examine the

Entrepreneurship literature and find a solid foundation for ethical consideration but not a single article on guiding online entrepreneurs to act responsibly. In order to build our own framework, we will then employ lessons from Immanuel Kant and John Rawls to build a descriptive model of the different types of online behavior. Using this model, we end with a new, proposed framework to guide online entrepreneurs.

E-commerce Definition

The most obvious definition of e-commerce is commerce that takes place online. With the staggering growth of internet users, companies have moved from having simple, information based websites to relying on their online enterprises for significant bottom-line growth.

In defining e-commerce it is important to note the similarities and differences with commerce that takes place in “real space,” or the real world (Kracher, 2004). First, there are many “real space” business principles that still apply online. For example, Amazon.com relies on excellent customer service and response time much in the way that a real Costco store would. On the other side, some have highlighted distinct differences of traditional and e-commerce. Kelly (1997) maintains that most internet businesses rely on the “law of plentitude,” deriving value from connectivity. This directly opposes the traditional business model of scarcity drives value. Also, there are some features of traditional commerce, like trust, that play different roles in the online environment (Corritore, Kracher and Wiedenbeck, 2001).

There are four categories of e-commerce delineated by the parties involved: business-to-customer (B2C), customer-to-customer (C2C), business-to-business (B2B), and peer-to-peer (P2P). While B2B is statistically the largest of the four groups in terms of revenue, this paper will focus primarily on B2C businesses, or businesses that conduct both individual transactions and maintain relationships with numerous customers.

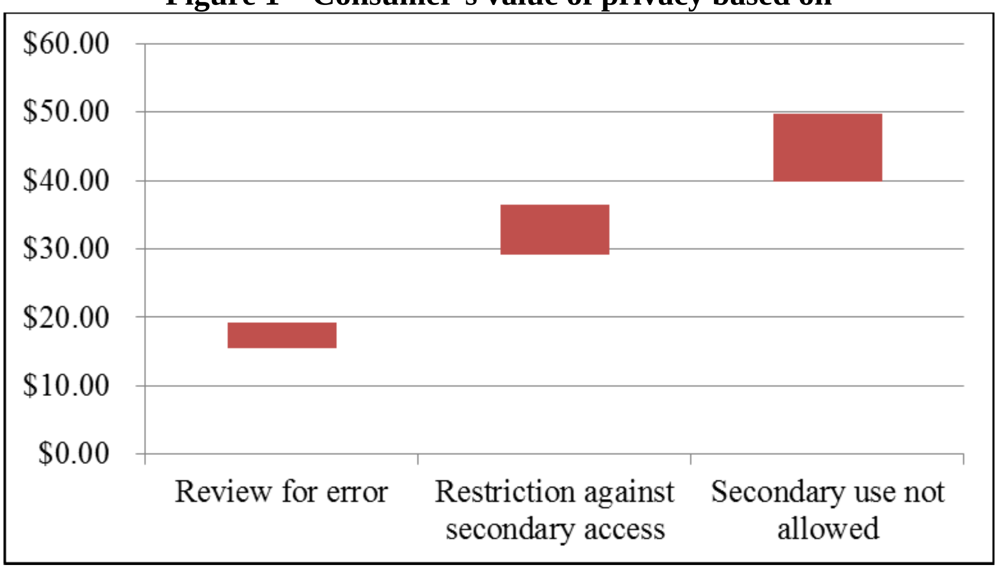
Up to this point, a couple scholars have endeavored to list the features of e-commerce that separate it from traditional commerce. Donaldson, 2001, listed four Net Value drivers: reach, language lock, replication, and anonymity. Kracher (2004), attempting to subsume these original definitions listed five features: interconnectedness, simplicity, speed, virtuality, and cost. This paper will not try to define its own set of separating features of ecommerce. Instead, these above definitions are listed to emphasize some of the differences in e-commerce. First, it is vital to mention the internet's ability to 'reach' across traditional restrictions and access a wide ranging audience. Second, the internet's 'virtuality' causes a consumer's experience online to be one of individual interaction with the corporation, versus a traditional B2C interaction where individual customers are conscious and aware of the other, similar consumers engaging in often identical interactions.

Online Privacy Problem

The internet is the ideal medium to monitor people. If a person followed you around in a brick and mortar bookstore, recording every time you glanced at a book or read the back cover, the store would at least build a reputation for being too prying. However, Amazon.com easily and efficiently does that every day online, building a profile of both your habits as an individual, as well as a large, aggregate database of everyone's combined habits and preferences. As consumers on the internet, every word we type, page we read, picture we upload and link we click is analyzed and stored indefinitely. It's no wonder that when it comes to operations decisions, Amazon.com has a leg up with all that data.

It turns out, despite internet consumer's propensity to forsake their privacy online; we do claim to value it. In order to try and gain some insight into how much we value our personal information Hann et al (2002) conducted a questionnaire with two thousand undergraduates. The research question is simple: if we value our privacy a certain amount, how much would we be willing to pay to give it up? Through the data she collected, she found that those polled were willing to pay $20 for an important site not to malfunction, would pay roughly $35 to have companies prevent the reckless divulgence of their private information to third parties, and pay up to $50 to have a guarantee that their private information would never be transferred to any third party (Figure 1). In an age when most consumers expect online services to be free, this was significant (Figure 1, Hann, 2002). With 75% of Americans using the internet in 2009 and 55.5% of Americans engaging in ecommerce, that puts a price tag of up to $8.44 billion dollars in privacy value[1].

Figure 1 – Consumer's value of privacy based on



Hann, 2002

The cost of protecting this valuable privacy is expensive for both individuals and corporations. If each consumer take's it upon themselves to ensure a completely anonymous online experience, they will usually end up paying around $277 per year (Gellman, 2002). If we

[1] Calculated using data from the U.S. Census Bureau, Population Division, July 1, 2009, and the Pew Internet & American Life Project, December 4, 2009.

lay the burden on the businesses themselves through retroactive policy, companies would have to spend around $100,000 each, or $36 billion to retrofit their websites.

Finally, in an effort to describe the difficulty in interpreting extensive online privacy policies, a team of researchers sifted through hundreds of samples. They found policies ranging from 1,000 to 7,000 words, frequently employing confusing terminology and layout, with the average policy being 2,500 words. They estimated that just spending 10 minutes reading each policy once per year, it would cost America around $652 billion dollars in lost productivity (McDonald, 2008). It appears that despite the advent of new internet technology and services, a lack of responsible behavior, especially when it comes to consumer's privacy, is costly.

How is My Privacy Violated?

Privacy is relinquished online both explicitly and implicitly as a consumer browses the internet and interacts with companies. First, there are many forms of explicit privacy sacrifices. Some include registering for a free product or service, entering personal financial information to complete a business transaction, or giving simple information to verify a user's identity, location or age. At these junctures, some consumers will enter in the same, truthful responses without considering if their honesty is necessary. For example, some senior citizens are notorious for giving their complete details whether they're dealing with their bank or responding to a pop up advertisement. Others will be more discerning in judging the need for voluntarily giving exact information. For example, I am likely to fill out my authentic information when registering for a new credit card; however I maintain a bogus email account for spam, in which most corporations believe I'm a centurion based on my fabricated data.

Implicit Forms of data collection can be beneficial for both parties, but is often viewed to be more controversial. Implicit, or hidden, forms of collection often happen with both "cookies" that track our browsing history on an individual sight and the company's server side monitoring of your browsing activity. The current status quo justification for this information collection is for the website to further tailor your individual experience. If Amazon.com keeps track of an individual's numerous searches on dog toys, a homepage littered with pet products helps both parties.

However, these practices of information collection can sometime insight anger within the users. While Google's current habits are somewhat unclear, the company has the potential to collect and maintain records of every single internet search, matching it to a specific computer and location. Some view this as a violation of privacy when it comes to particularly sensitive searches. For example, I may not care for Google to know that I am looking for a place to eat using its map features. However, searches related to legal advice and psychiatric help, among others, are often meant to be private.

This trend of implicit data collection has only been increasing over the last decade due to the hypercompetitive nature of the internet (Peace, 2001). Today, online consumers have an ever increasing expanse of options for often similar products or services. Thus, it is imperative for companies to give consumers exactly what they want, and at the correct price, up front. Why would I bother searching around on Wal-Mart if Amazon.com knows what I want and all my relevant information in order to get it to me quickly? Some say that this increasingly efficient and competitive market may not actually be to the benefit of consumers, particularly when it comes to privacy.

The Cost of Unethical Practices

Previously, we have discussed the significant costs to both corporations and consumers of unethical practices. The third and final cost is to the entrepreneurial environment itself.

Entrepreneurial online companies are frequently too small, and vulnerable to be subject to apprehension or negative backlash. However, the actions taken by each new company's predecessors have created an environment of mistrust, where educated online consumers are less likely to give new companies a chance. In order to fundamentally shift this wary approach of online consumers, all new startups must ensure they are acting ethically online. Without this guarantee, then this third cost of unethical practices adds to the first two to create a fundamental breakdown of trust. Since online stores cannot rely on the added assurance afforded by 'brick and mortar' in person transactions, this loss of trust is even more detrimental.

Current Solutions

The current solutions attempting to combat this unethical online behavior fit into three categories: guidelines and policy. The most often quoted source for ethical practice guidelines is the Federal Communications Commission (FCC) Guidelines published in 1999. The five facets of the guidelines attempt to cover issues ranging from privacy notice and awareness to security of the privately held information. Companies deemed to by the FCC to be acting within these principles is awarded a seal to post on their website.

Fair Information Practice Principles (1999)

1. **Notice/awareness**: covers the disclosure of information practices, including a comprehensive statement of information use
2. **Choice/consent**: includes both opt-out and opt-in options and allows the consumers the choice to trade information for benefits, depending on the value consumers place on the benefits
3. **Access/participation** allows for confirmation of the accuracy of information; necessary when information is aggregated from multiple sources
4. **Integrity/security**: controls for theft or tampering
5. **Enforcement/redress**: provides a mechanism to ensure compliance; this mechanism is an important credibility cue for online companies, but is extremely difficult to accomplish effectively.

(Caudill and Murphy 2000)

Attempting to cover the many areas of responsible behavior online within a set of guidelines is a tough challenge, and most agree that the FCC Principles are an important start. However many complaints have been issued that these principles give “companies too much flexibility to adequately protect consumers, and lack a credible system of enforcement.” (Hemphill, 2002)

For example, there is continuing debate between businesses and consumers over the merits of allowing both “opt-out” and “opt-in” policies or mandating the use of only “opt-in.” “Opt-in,” backed my most consumer advocacy groups, requires companies to specifically request permission anytime they want to store and later use a consumer’s private information. “Opt-out,” backed by most ebusinesses requires no upfront permission request, and instead gives consumer’s the option to later get out of the service and regain control of their information (Hemphill, 2002).

Regulations and policy exists on the flipside of previously mentioned self-enforced guidelines. However, there are few actual laws in place that protect the privacy of online consumers (Spinello, 1998). Further, it is increasingly difficult for these laws to keep pace with the ever evolving internet landscape. For example, laws written a decade ago would endeavor to regulate the use of cookies, while laws written today would need to consider many more types of data collection methods. In fact, Spinello argues that there is a fairly predictable pattern when it comes to privacy: privacy rights are menaced by a new technology and privacy surfaces as a notable issue. But it soon becomes clear that protecting privacy will be costly to powerful government and business interests.” (Spinello, 1998) More significantly, by the time policy has caught up with irresponsible online entrepreneurs, the damage has already been done.

With these two opposing efforts to address the lack of responsible behavior online, there appears to be a void for entrepreneurs. As a young company racing to get ahead there is often little time to consider all the ramifications of a future product or service. Thus, there needs to be an accurate and efficient set of guidelines that these corporations can employ *as* they innovate to not elongate the time to market but also guarantee that their ability to always maintain responsible behavior. The first place to look for these guidelines is the current entrepreneurship literature.

Entrepreneurship Literature

Before presenting our argument, we will first review the current entrepreneurship literature, and later, the literature addressing both entrepreneurship and ethics.

Up until the turn of the century, most scholarly articles focused on either individuals or their surrounding structure on explaining entrepreneurship (Martinelli 1994, Thornton 1999). When focusing on the individual factors to explain entrepreneurial activity, we turn to three influential authors. First, Mclelland (1961) discussed how cultural attitudes in an area directly lead to primary socialization practices, further encouraging entrepreneurship within a person. Kets de Vries (1977) later attempted to add more specific qualitative factors, like a “painful upbringing” that would be more likely to foster the entrepreneurial spirit than other factors. Finally, Delmar (2000) attempted to summarize the personality of an entrepreneur, using such descriptors as “prone to taking risks.”

Meanwhile, other scholars strived to prove that the surrounding environment and structure was the main influence on any resulting entrepreneurial activity. First, Martinelli, (1994) tried to get away from the focus on deviance and marginality of the entrepreneur, and instead look at any cultural and institutional support of such activities. Later, Venkatarm (2004) laid out seven intangibles necessary for successful company formation including access to novel ideas, role models, informal forums, region-specific opportunities, safety nets, access to large markets, and executive leadership. Adding to that list, two additional papers stressed the need for prior experience in established companies for successful or “high quality” entrepreneurship (Freeman, 1986, Audia and Rider, 2005). Finally, Busentiz, Gomez and Spencer (2000) divided their structural explanation into three categories: regulatory, cognitive and normative factors, commenting that each category of factors have influence on the level of entrepreneurship in an area.

In the last two decades, new authors have started to focus on the heterogeneity in terms of knowledge, preferences, ability, and behaviors in order to use to both individual and structural factors to explain entrepreneurship (Gartner et al. 1992, Venkataraman 1997, Davidsson 2003). This approach emphasizes the action resulting from entrepreneurship as a sometimes revolutionary force. For example, Schumpeter (1961 & 1975) being arguably one of the most influential economists in entrepreneurship literature, has labeled entrepreneurship as “getting things done,” calling it a “divisive force.” This emphasis on entrepreneurial action is inspired and further legitimized by economic theories, especially Austrian economics (Venkataraman 1997, Shane 2003).

Entrepreneurship and Ethics Literature

In 1998, Hisrich summarized the literature on entrepreneurial ethics as “relatively limited.” Of those that have published on the subject, most spend their time discussing the unique environment of entrepreneurship and it’s far ranging implications. Schumpeter (1975) and Etzioni (1987) remain the most outspoken in discussing the results of entrepreneurship, claiming that it not only can "revolutionize economic structure" but it can also explain changes in existing societal patterns.

The current articles discussing entrepreneurial ethics can be effectively categorized using Gartner's (1985) framework, focusing on the following four categories: the individual, the startup culture, the entrepreneurial environment, and the new venture initiation process. In the first category, authors discuss how important individualism is on entrepreneurial ethics. Since entrepreneurial ventures often have few employees, one's individual ethics has the most effect on an entrepreneur's actions when representing the company. This can be somewhat problematic as most founders are not well versed in the types of quick decisions they will need to make (Longnecker, McKinney, and Moore, 1998). Donaldson (2001) also quoted Art Caplan, head of the Bioethics Center at the University of Pennsylvania, as saying, "I learned ethics at my mother's knee, but she did not tell me about fetal transplants," emphasizing that the intuitions formed in one's background might not be so applicable to the "brave new technology world."

Hisirch (1998) later extended this theory to the undeveloped ethical culture in startups. No matter the company size, the management team frequently has a strong influence on the general company values. Within startups, the founder's personal values have an even stronger role in dictating how their coworkers deal with the ethical problems they encounter (Hisrich, 1998, Longenecker, McKinney, and Moore 1998). The type of "transactions" taking place within small firms has also been a focus within this category. Starr and MacMillan (1990) emphasize "social transactions" as the most important in raising resources, while Collins and Moore (1997) use the transactional model to describe the relationships between entrepreneurs and others.

The third category is necessary to explain some of the factors that are special to an entrepreneurial environment. After an extensive study, Chau and Siu (2000) published a paper about the increased external time pressures, scare resources and competition that small firms face. They surmised that while individual and organizational characteristics may be conductive to ethical decision-making, these environment characteristics are frequently detrimental.

Finally, the last category discusses the ethical decisions resulting from the new venture creation process. Dees and Starr (1992) spent the majority of a paper talking about the "promoter dilemmas" faced when entrepreneur's start a new business. In order to successfully grow, these entrepreneurs must win over a wide range of stakeholders, from their direct customers to employees, bankers and suppliers. Thus, they emphasize the importance of answering "what does honesty mean when promoting an innovation?"

In the literature reviewed, most authors agree that an entrepreneur's actions can have far reaching implications, and that these individuals need help in making ethical decisions. However, there has yet to be a paper giving guidelines as how to continue developing a company while ensuring you are acting responsibly.

Research Question

This brings us to the research question of this paper: *What constitutes responsible behavior for Internet entrepreneurs?*

The entrepreneurship literature clearly establishes that early stage companies are vulnerable to all sorts of pressures, both from external and internal sources. Thus, when it comes to these small companies, the current proposals of having either a self-regulating system or one that involves public policy is not apt for this environment. The self-regulating system is not working, and policy often suffers from "ethical lag," barely keeping up with the ever evolving dynamics of ecommerce (Donaldson, 2001). It is imperative for every small firm to ensure that they are acting responsibility in the present. Thus, the purpose of this paper is to put forth a simple framework for these very entrepreneurs to follow as they deal with one of their primary stakeholders, the customers.

Immanuel Kant

Immanuel Kant, an 18th Century German Philosopher provides the base for judging ethical online behavior. In "Groundwork for the Metaphysics of Morals," Kant introduced the categorical imperative, which everyone must adhere to in order to live a moral and responsible life. It enforces that all rationality must follow the categorical imperative, which is itself based on the duty to follow what is right in all circumstances. Thus, one of the central tenants of the categorical imperative is that it never varies between situations. Using this as a basis, Kant discusses three themes in depth: universalizability, instrumentality and dignity.

First, universalizability "[r]equires that the maxims be chosen as though they should hold as universal laws of nature." Being universal, all rules that one constructs must apply to all situations, equally. A common example used to explain this maxim is one of the white lie. If you establish that lieing is immoral, than even a simple white lie about a friend's appearance would not be allowed. No matter the scenario, it is never okay to change the rationality of ethics.

Second, instrumentality requires that humans be treated as ends in an of ourselves. "[t]he rational being, as by its nature an end and thus as an end in itself, must serve in every maxim as the condition restricting all merely relative and arbitrary ends." Thus, a corporation violates instrumentality when by using him or her just to make profits, essentially using him or her as means to an end.

Finally, dignity is a concept Kant clearly separates from price. Establishing that everything either has a price or a dignity, he continues to declare that "whatever has a price can be replaced by something else as its equivalent; on the other hand, whatever is above all price, and therefore admits of no equivalent, has a dignity." Essentially, anything that is an end in itself does not have relative worth, like a price, but instead has an intrinsic worth or dignity. Dignity is supreme for us humans and cannot be bought, sold or traded as it has no price. It must be respected at all times, in any situation.

John Rawls and the "Veil of Ignorance"

John Rawls, a 20th century moral philosopher expands on these ideas with his famous thought experiment: the veil of ignorance. In order to determine the morality of any issue, Rawls offers that one must look at it from the "original position," where you are knowledgeable and conscious about all the societal roles around you, but do not know which role is yours. Rawls claims in the *Theory of Justice* that only then can you consider the morality of an issue. An example would be to apply it to the practice of slavery. While those in power may condone and support slavery given their role, the original position would force them to re-evaluate the concept with the possibility that they themselves could be the ones who are enslaved. This thought experiment is useful in considering universalizability, enforcing that no one enacting rules is giving advantage to their position in society.

Characteristics of Online Behavior

In order to construct our model, we adapted these formulations into three requirements of responsible online behavior: universalize able action, respectfulness and transparency.

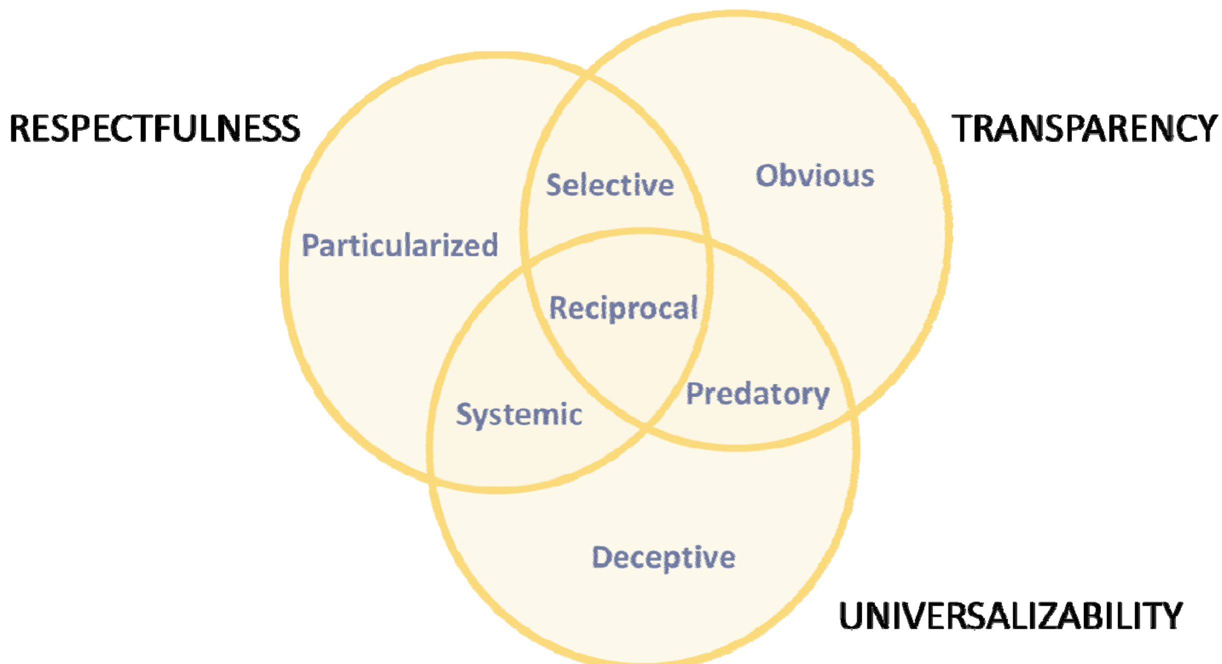
An online entrepreneur's action is universalizeable only if the entrepreneur is comfortable with any other entity performing the same action. This ensures not only consistency, but a more system approach with no exceptions. Thus, any universalizeable actions of a responsible entrepreneur do not leverage any comparative advantage at the cost of an individual's privacy.

In order to act with respectfulness, a company was treating individuals in ways that recognize their inherent human dignity, as ends in and amongst themselves. A company's actions lack respectfulness if it collects an individual's private information when it's not directly related to providing better service for which the customer subscribed. One of this type of behavior is the practice of asking for personal information when signing up for an email account. Company's surely engage in this behavior for customer marketing and tracking purposes, as the responses have no influence on the email service you receive.

In order to act with transparency, entrepreneurs must be open about their actions at all time. Unfortunately ,it has become an norm for many online corporations to be secretive about what they do with their customer's information. While most of these same companies attempt to justify this trend with competitive advantage and trade secret explanations, this non-disclosure does not meet the requirements of transparent action. For a corporation to gain this designation, it must not only be forthright and clear about its actions, but it also must give the customer full view of the private information they have collected that concerns them.

Internet Behavior Model

Figure 2 – Internet Behavior Model



The figure above represents our internet behavior model. This Venn diagram consists of three spheres, standing for the three requirements outlined earlier, and seven areas of intersection with different combinations of these requirements. For example, if you are in the top left section, you are practicing "particularized online behavior" that only meets the respectfulness requirement. As indicated by the diagram, this action lacks both transparency and universalizability. In order to explain the types of online behavior that result from these intersections, some select contemporary examples are given below.

In the following examples, universalizability should imply actions that are consistent across a company's users. However, an added definition of universalizeable behavior from Kant would be a scenario where a company would be okay with a competitor or any other company engaging in the same action. Since the latter is hard to judge without extensive interviews and investigation, these examples focus on meeting the former requirement.

Deceptive Online Behavior

Starting at the bottom of the diagram, we have one of the more recognizable types of online behavior. Deceptive behavior maintains universalizability while lacking both respectfulness and transparency. Most companies who engage in behavior that fit this description are only meeting the universalizable requirement with the fact that they perform the same actions with every customer.

For example, in 2007, Facebook launched the now infamous Beacon feature to their online social platform. This enabled Facebook to track purchases made on separate site, and report the results as public news bulletins amongst the user's online friends. What may have been intended as a cross marketing scheme, ended up resulting in an embarrassing PR scandal as this feature lacked both respectfulness and transparency. No one knew of the feature's automatic addition until it was too late. A famous case of its unwanted presence was when a woman was notified that her boyfriend had purchased a surprise engagement ring. While being transparent about this potential modification of Facebook service might have lessened the reaction to beacon, most argue that this third party tracking and reporting is not respectful of Facebook users.

Systemic Online Behavior

Moving to the left, we have Systemic online behavior which is characterized by maintaining universalizability and respectfulness, but lacking transparency. A prevalent example is Amazon.com's practice of tracking every single click and page view from every user. Most Amazon.com users know about this practice given the emphasis on Amazon's individual user recommendations. This, in turn, is also the value of this monitoring practice that is delivered to the customer. From what little is known about Amazon's record keeping, it can be assumed that the majority users are either indifferent or appreciate the tracking given the often useful recommendations that result. This practice is not a far cry from the purpose of personal value cards offered in brick and mortar stores. However, Amazon.com has never stated the extent to which records are kept and clicks are tracked, not giving customers with a clear picture of their personal information that is tracked by Amazon.com. Thus, adding this level of transparency is necessary for Amazon.com's tracking to be responsible.

Predatory Behavior

On the flipside of the Universalizability sphere is Predatory behavior. This is another frequent occurrence by all sizes of online companies, where their actions are both universalizable and transparent, but lack respectfulness. An example within this space is Google's recent addition of Google Buzz to their Gmail service offering. Similar to Facebook's Beacon program, Google rolled out this service to every member of their Gmail service. Unlike Facebook beacon, they were transparent about this new addition, notifying their users via a large splash screen during their next login to check their email. However, the rollout of this service lacked inherent respectfulness, in that it not only failed to at least maintain current privacy wishes of its users, but also only offered their customers the ability to "opt-out" of this service before they every opted-in.

This service effectively analyzed a user's contacts and generated a list of the top addresses present in emails both sent and received. It then automatically added this group to their buzz "friends," giving these users designated as "friends" the ability to view and monitor any buzz updates by the main account holder, as well as view the account holder's other buzz friends. The justification was that this would help new buzz users generate their initial list of friends. However, it became more infamous for embarrassing revelations concerning some user's affairs, past correspondence with psychiatrists and other relationships that the user's had always intended to be private. Google's decision to not give their current user's the option to add on this new service and select new friends lacked respectfulness, and further damaged the brand of their new service.

New Framework

Using our Internet Behavior Model, we have come up with new guidelines for entrepreneurs to act ethically online. The basis of this framework is the FCC Information Practice Principles from 1999. As discussed in the Current Solutions section of this paper, they attempt to cover a broad range of necessary ethical behavior, from notice on privacy rights to proper enforcement and redress should information be lost. While these guidelines provide a solid foundation for online behavior, they lack the necessary elements outlined in our Internet Behavior Model.

The first of three additions is the most specific: all responsible companies should have an "opt-in," not "opt-out" policy. This means, when engaging with new customers, online entrepreneurs should give them the choice to sacrifice their privacy for a perceived benefit, rather than automatically enroll them. Too often, e-businesses deliberately engage in irresponsible behavior by using a consumer's private information without their specific consent. We view this as a direct violation of the respectfulness requirement established earlier. If entrepreneurs specifically request approval to use private information, that responsible action can also help build trust to their new clients.

Similarly, the second addition is the requirement for complete transparency. Since the internet lacks the face to face contact of a brick-and-mortar store, entrepreneurial online ventures must establish trust early without a prior history or brand for help. Acting without complete transparency is not only irresponsible, but can also lead to questions and doubt as to the dependability of the firm. Thus, online entrepreneurs need to be obvious and upfront about every action. The first step is to institute a clear, concise privacy policy that effectively communicates how the company utilizes private information. One possible solution to reduce the shear length of privacy policies is to have a summary bullet point list of the ways in which a specific privacy policy deviates from a commonly established baseline policy.

The last addition for our new framework is the inclusion of universalizability. As discussed before, this mandates that a company should not only act universally with all of its clients, but also be completely comfortable if their actions were transplanted and employed by a competitor firm. For example, using Rawl's "Veil of Ignorance" as a thought-experiment, Facebook should only be allowed to keep and process the wealth of user information through their Beacon program if they were completely comfortable with every one of their competitors doing the same thing.

Areas of Future Research and Conclusion

Given the scope of our research question, we have not looked into the direct results of following our guidelines. While there are many examples of successful companies meeting select requirements, we have not tested the effects to following our entire framework while simultaneously releasing a new product to the market. If this analysis were to be conducted, it may find some efficiency loss in following the guidelines. For example, an online charitable foundation that relies on and "opt-out" when using direct marketing for donations might incur losses by switching to an "opt-in" approach. Additionally, employing our framework might find that the supplements we added to the FCC Principles may be considered vague to a nascent entrepreneur. Thus, future research should be conducted on the results of online entrepreneurs following these guidelines.

When we first endeavored to tackle the issue of responsible online behavior, it was not immediately apparent that ideas put forth by an 18th Century Philosopher could be applied to an area as modern as the internet. Yet, upon further examination of Kant's Categorical Imperative, it becomes obvious that these truths can produce an efficient guide for entrepreneurs looking for success while being responsible. Hopefully, application of our guidelines will help entrepreneurs combat both time pressures and a lack of prior experience when it comes to these important ethical decisions.

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