

 ANTI-SPYWARE COALITION

2008 Antispyware Coalition Public Workshop

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**Consumer
Reports®**

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Background

- For several years, Consumer Reports has been testing and rating antispam and other protection software.
 - 2002 Antivirus
 - 2003 Antispam
 - 2004 Anti-spyware

In September 2004, we began publishing the annual Consumer Reports State of the Net report

Based on a nationally representative survey measuring the incidence and costs to American consumers of spam, viruses, spyware, and phishing scams

Conducted by the Consumer Reports National Research Center



The risk associated with using the Internet remains high. Our State of the Net assesses the likelihood and impact of four leading online hazards, listed in order of incidence, based on the survey by the Consumer Reports National Research Center and our follow-up investigation.

SPAM

The incidence of heavy spam is still high for many people.

NATIONAL INCIDENCE	1 in 2 experienced high levels of spam
AVERAGE COST PER INCIDENT	not applicable
TOTAL DAMAGE	not applicable

VIRUSES

The frequency is at the same high level as last year's.

SPYWARE

The danger is still high. In the past six months, infections prompted 850,000 U.S. households to replace their computers.

PHISHING

The incidence is still very high. There were about 23,000 attacks in April 2007.

NATIONAL INCIDENCE	1 in 5 had a major, often costly problem.	1 in 11 had a major, often costly problem.	1 in 81 lost money from an account.
AVERAGE COST PER INCIDENT	\$100	\$100	\$200
TOTAL DAMAGE	\$3.3 BILLION	\$1.7 BILLION	\$2.1 BILLION

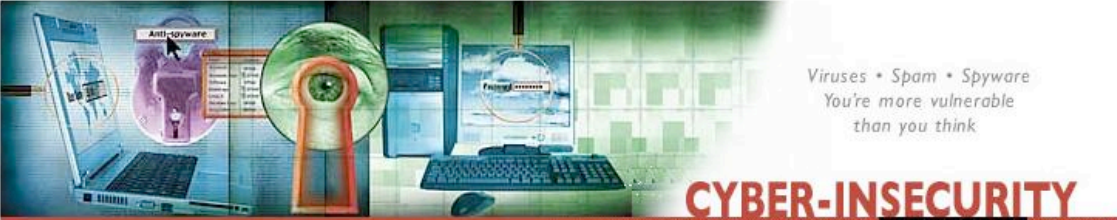
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CYBER-INSECURITY
SPECIAL SECTION

What you need to know
[Net threats: Why online is still risky](#)
[State of the Net 2007](#)
[How cybercriminals deceive](#)
[Where criminals plot online](#)
[Phishing: A growing industry](#)
[Viruses: Changing threats](#)
[Spam: Better defenses](#)
[Spyware: Still a threat](#)
[Social Networks: Kids at risk](#)
[How online threats are detected](#)

Safer surfing
[The latest news about Net security](#)
[Who's talking to your kids online?](#)
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Four key spyware questions:

1. How has spyware harmed U.S. consumers?

Spyware Threats and Costs

2005

Threat	Change since last year	National incidence	Economic fallout	
SPYWARE	 RISING Explosive growth, wide-spread damage	1 in 6 had a major, often costly, problem	250	3.5 billion

2006

SPYWARE

OVERVIEW
 Despite a decline in the incidence of spyware, its resulting problems remain epidemic. In the previous six months, spyware infections prompted nearly a million U.S. households to replace their computer.

NATIONAL INCIDENCE
 1 in 8 had a major, often costly problem

ECONOMIC FALLOUT

Cost per incident	Total damage
\$100	\$2.6 billion

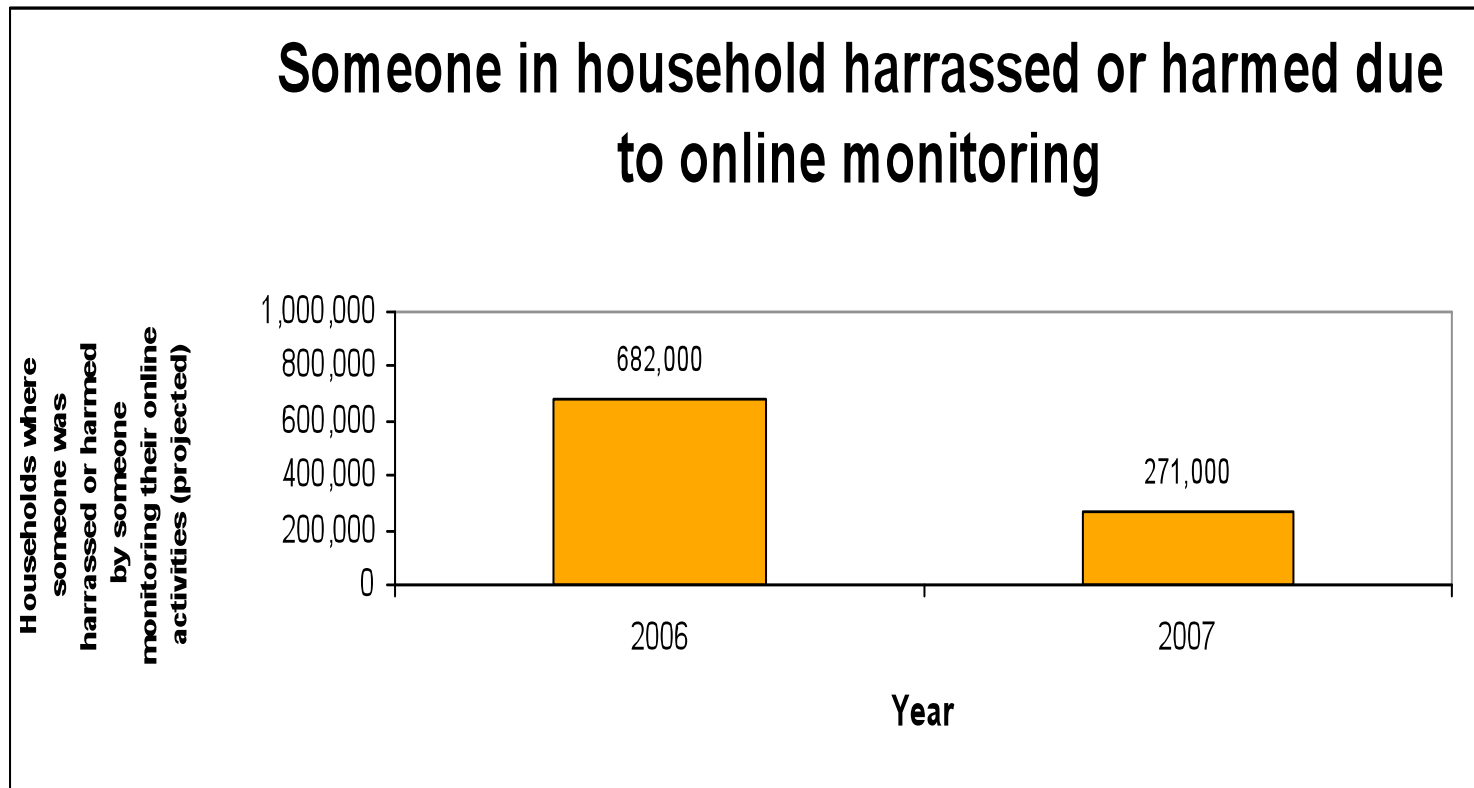
2007

SPYWARE

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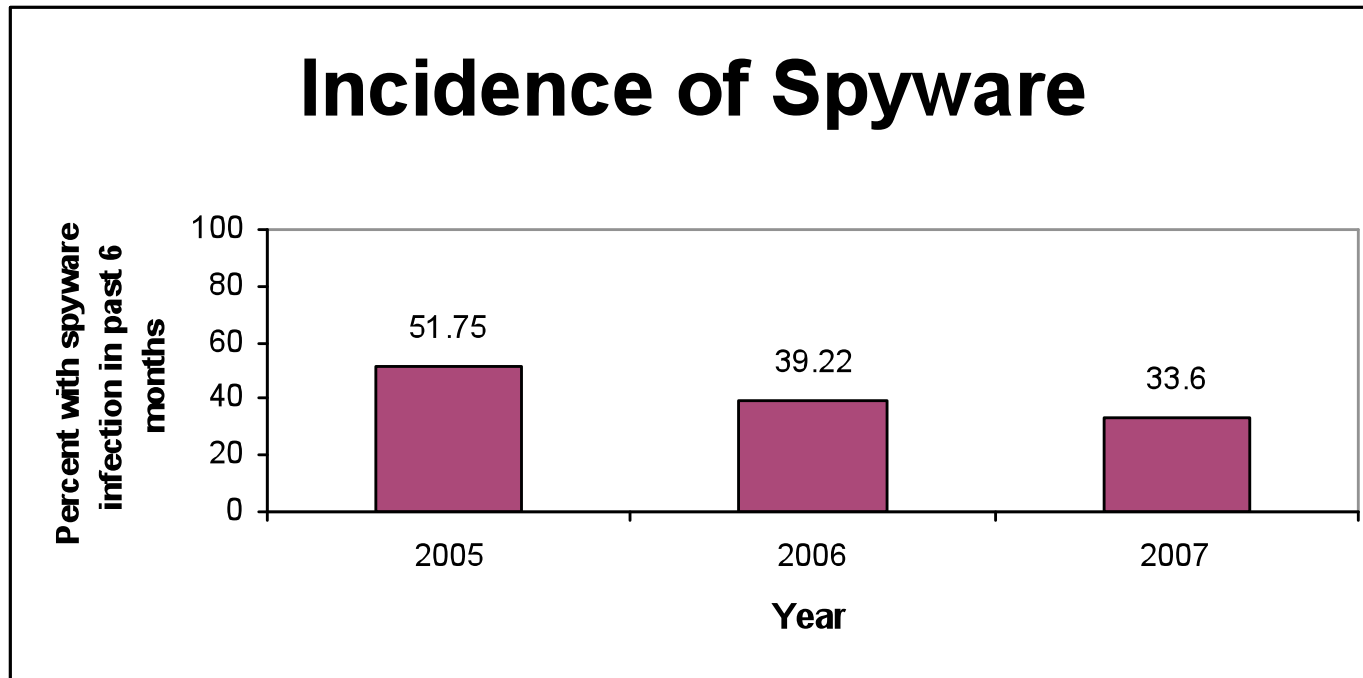
Widespread malicious monitoring of online consumers



Source: Consumer Reports 2007 State of the Net
Consumer Reports National Research Center

2. Are spyware infections on the rise or declining?

Fewer spyware infections



Source: Consumer Reports State of the Net, 2005-2007

Consumer Reports National Research Center

**3. What factors
increase a consumer's
risk of spyware
infection?**

Activity Increased spyware risk by

Entertainment 73%

(Download music, use file/music-sharing programs, streaming music, watching or downloading video)

Downloading 66%

(free or purchased programs, free screensavers, lyrics, etc.)

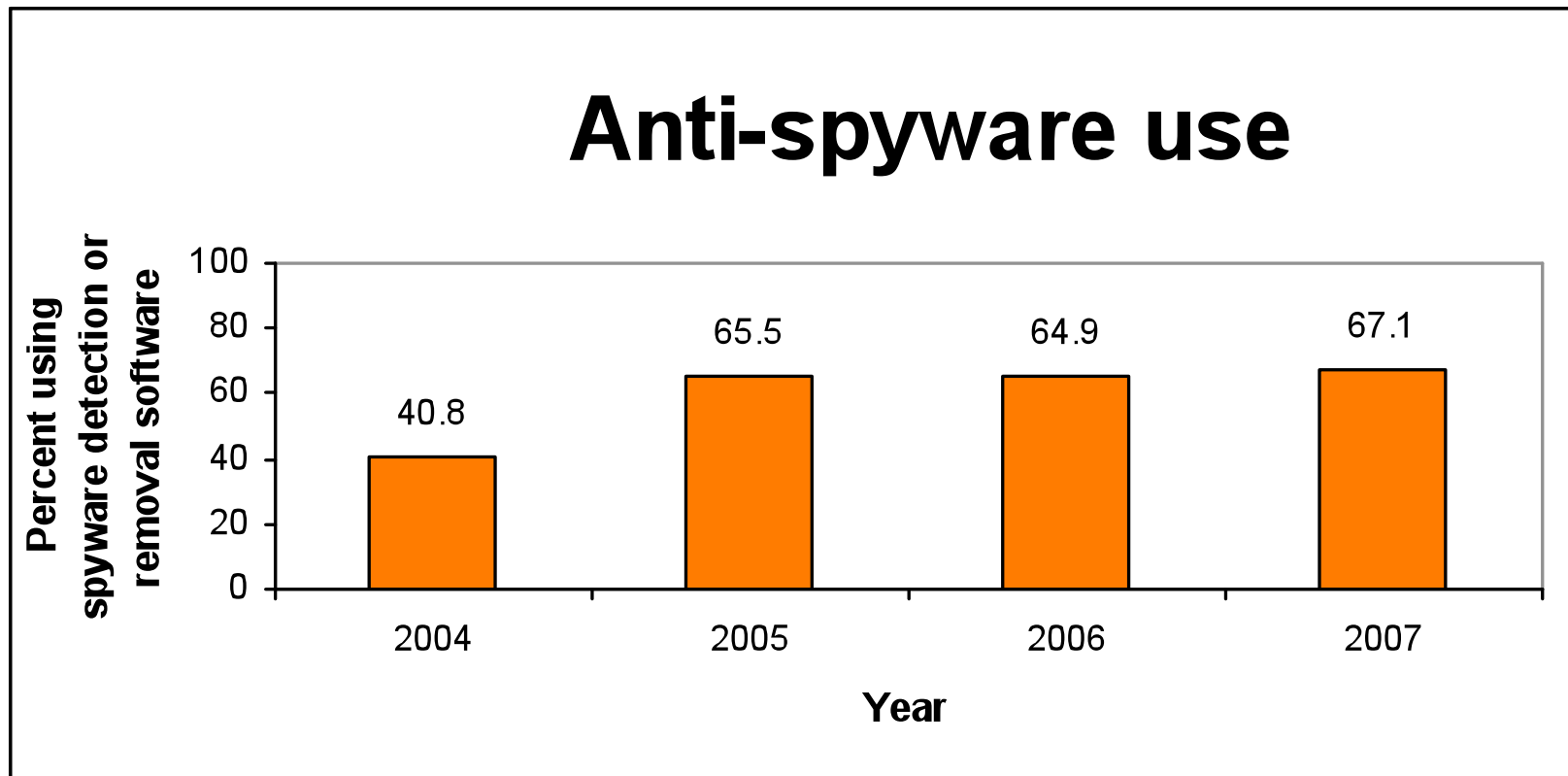
Children who go online 26%

Source: Consumer Reports 2007 State of the Net

Consumer Reports National Research Center

4. How are consumers
changing their
behavior in response
to spyware?

More use anti-spyware software



Source: Consumer Reports State of the Net, 2004-2007
Consumer Reports National Research Center

43% were more careful about sites visited
28% cut back on downloading free programs
13% reduced usage of free file-sharing software
10% shop online less
8% changed browser from IE to another
8% download music or video less
8% use a separate credit card for the 'Net

Source: Consumer Reports 2007 State of the Net
Consumer Reports National Research Center

A four-year analysis of our surveys provides some other

GOOD NEWS:

Consumers are getting smarter about protecting their computers against spam, hackers, and viruses

Fewer are clicking on links in spam

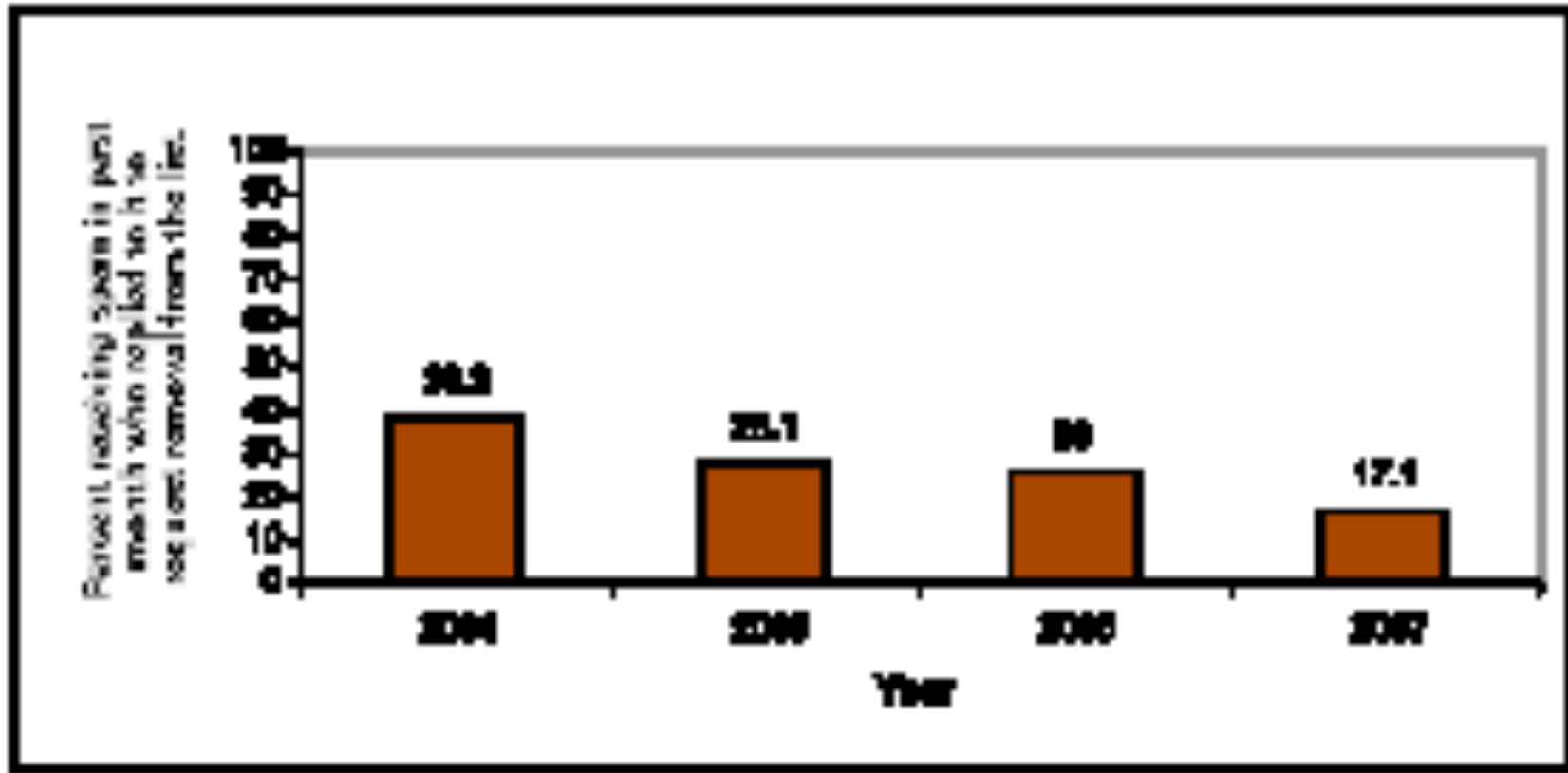
Trying to Stop Spam by Clicking on a Link



Source: Consumer Reports State of the Net, 2004-2007
Consumer Reports National Research Center

Fewer are replying to spam

Trying to Stop Spam by Replying to it



Source: Consumer Reports State of the Net, 2004-2007
Consumer Reports National Research Center

Many use a spam blocker

Use of a Spam-Blocking Filter

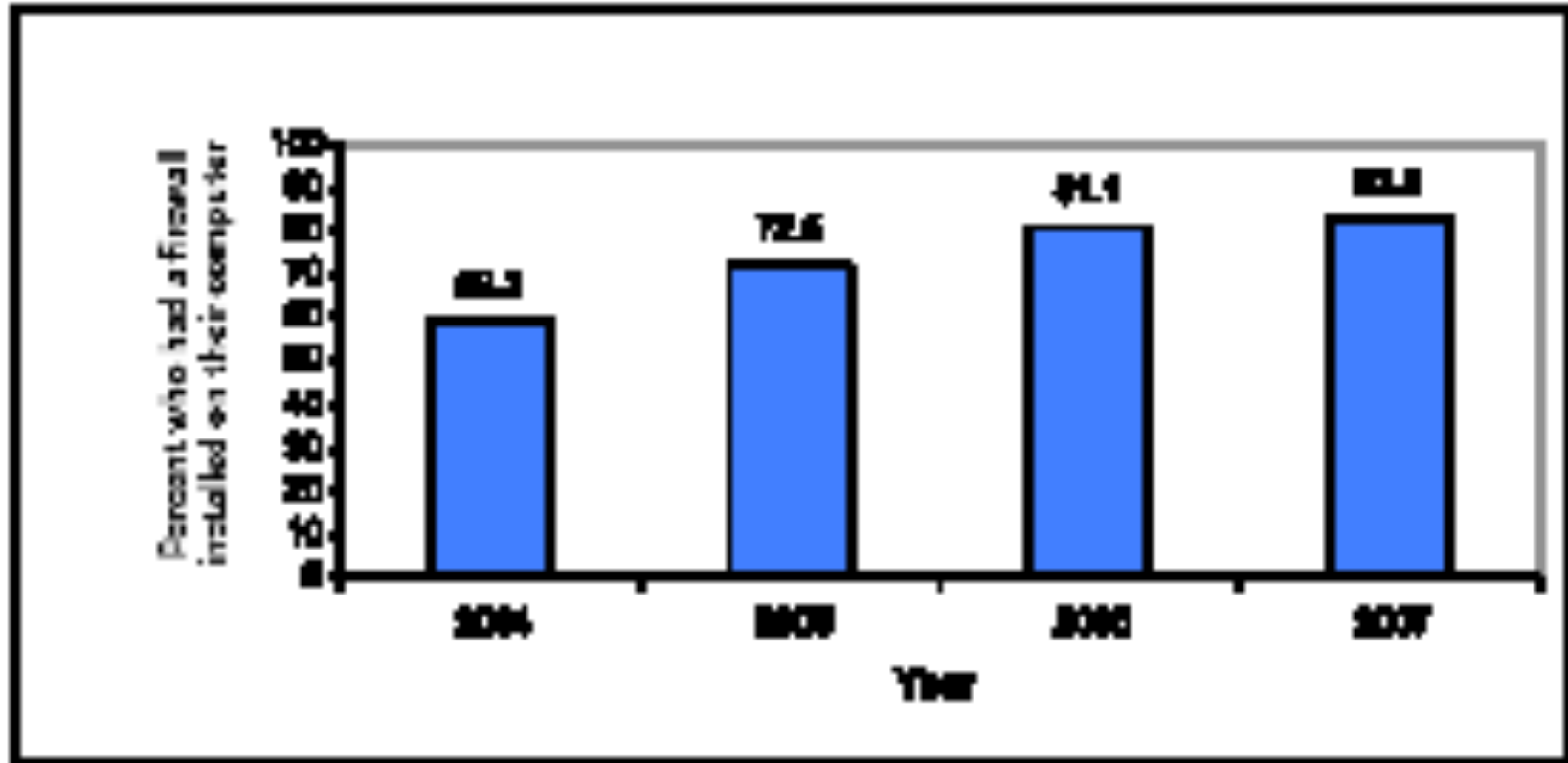


Source: Consumer Reports State of the Net, 2005-2007

Consumer Reports National Research Center

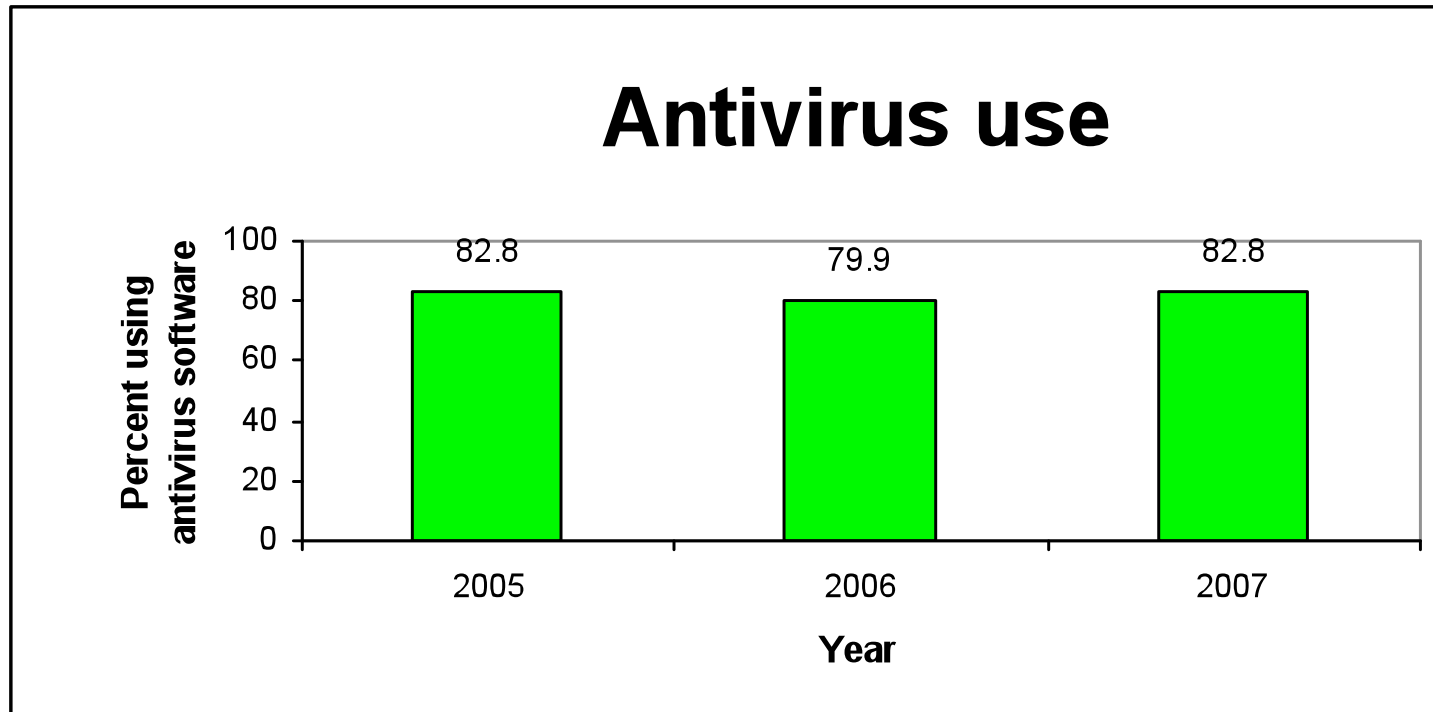
More and more are using a firewall

Firewall Use by Year



Source: Consumer Reports State of the Net, 2004-2007
Consumer Reports National Research Center

Many use an antivirus



Source: Consumer Reports State of the Net, 2005-2007
Consumer Reports National Research Center

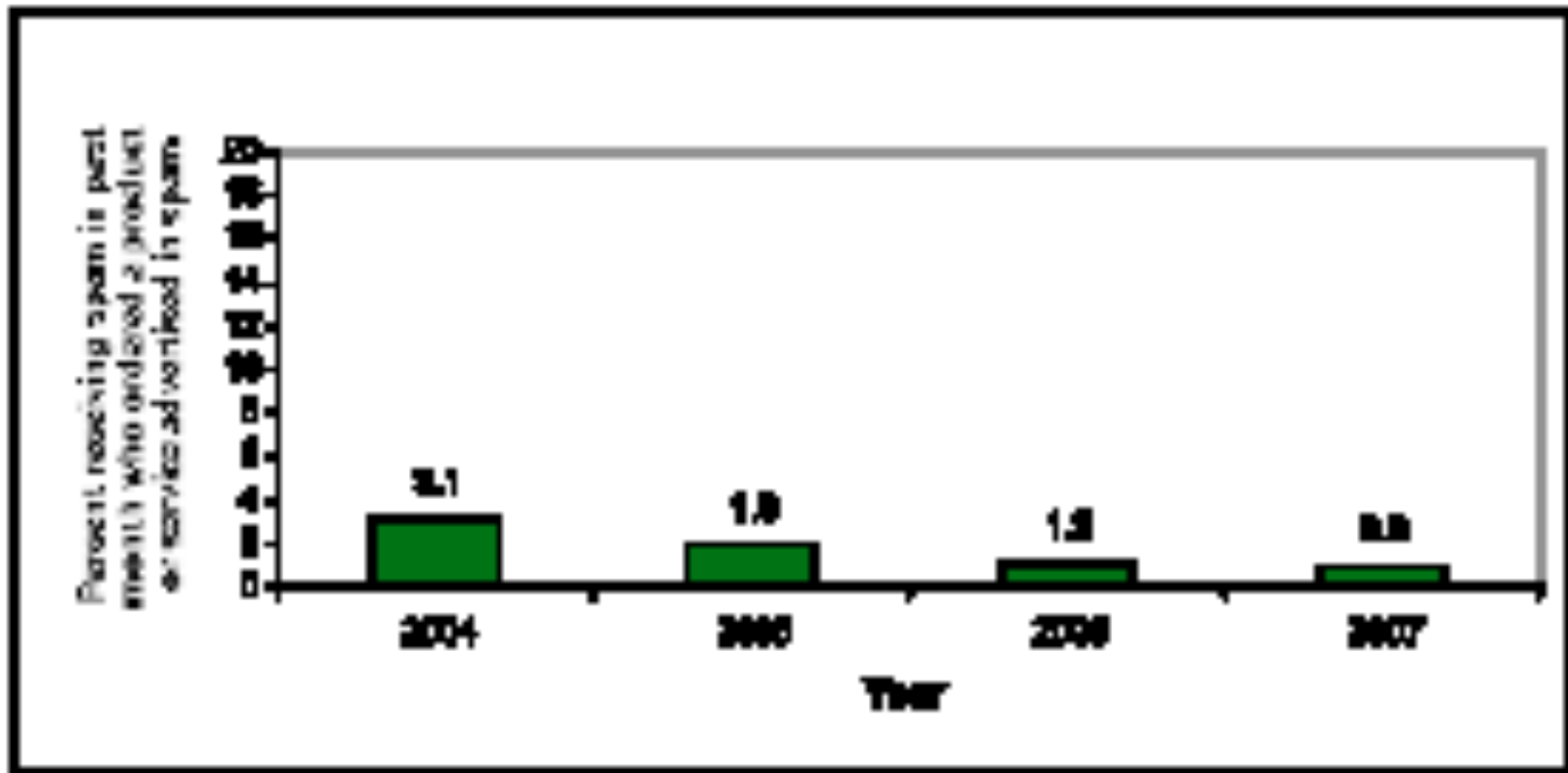
But our analysis also
provides some

BAD NEWS:

Many consumers still
engage in behaviors
that help the bad guys

Many still patronize spammers

Patronizing Spammers

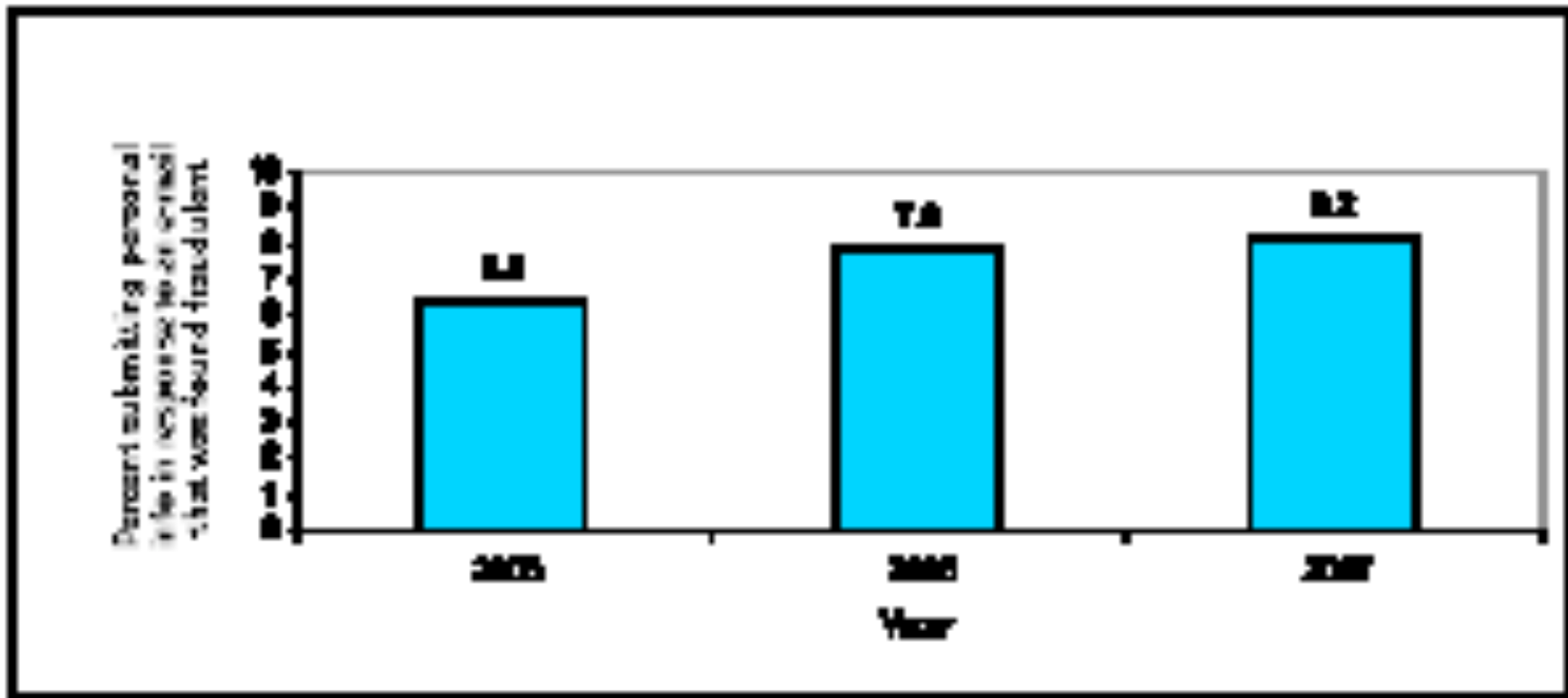


Note: 2007 figure represents more than 1/2 million consumers

Source: Consumer Reports State of the Net, 2004-2007
Consumer Reports National Research Center

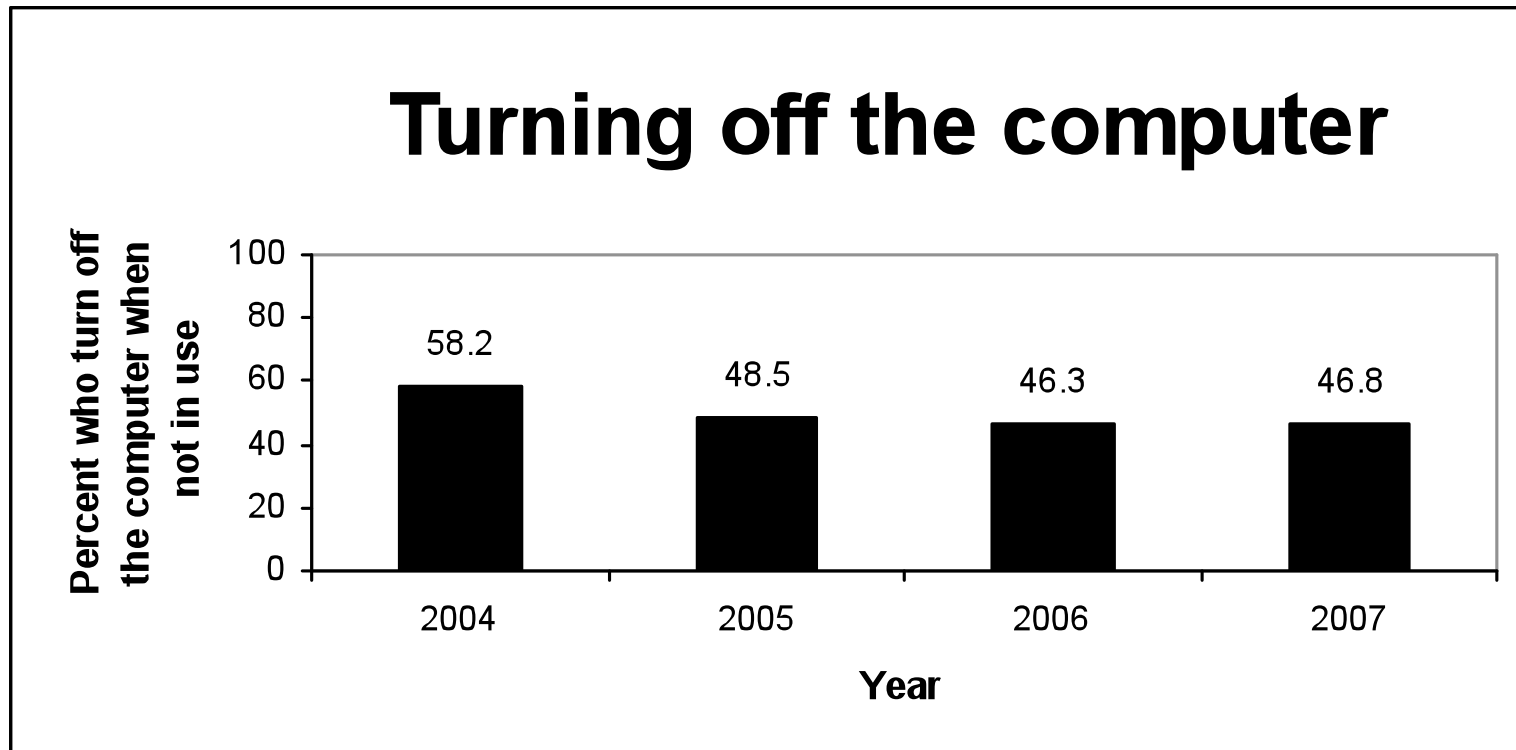
And many still respond to “phishers”

Submitting Personal Information to a Phishing-style E-mail



Source: Consumer Reports State of the Net, 2005-2007
Consumer Reports National Research Center

Fewer turn off their PC



Source: Consumer Reports State of the Net, 2005-2007
Consumer Reports National Research Center

Lessons

- While its damages have declined, spyware is still very costly for American consumers
- Consumer education has worked; we need more and better campaigns
- With most consumers using protective software, improved technology can help further reduce damages from spyware

You can help us:

- We are now designing our 2008 State of the Net Survey and welcome suggestions for new issues to examine.

Please send suggestions to me at:
jf@pipeline.com