DO COOKIES MIX WITH MILK AND HONEY?

Many e-businesses are hungry for Europe to lift the cloud of recession that has hung over the virtual markets. But, in light of the European Parliament's revamped Communications Data Protection Directive, those businesses could be waiting longer than they expect to return to the land of economic milk and honey. With the recent proposal to ban the unauthorized use of cookies in European Union-based online transactions, growing a business across the pond may require dietary changes.

The initiative probably will not be adopted until spring or become effective until the spring of 2003. But it might have immediate implications for those planning to expand operations or begin new projects overseas. In addition to prohibiting data tracking using cookies, Web bugs and other tools, the directive could affect targeted e-mail and similar unsolicited advertisements. The practice of collecting personal data would also change by requiring that users opt in, rather than opt out, of information-gathering systems.

Though the projected changes are intended to protect consumers from invasion of privacy and eliminate the nuisance of spam, they may force the redesign of Web sites or the rewriting of privacy policies and other agreements. E-businesses might even need to renegotiate arrangements with outsourced advertising and Web-hosting partners.

For now, this ruling is simply being sent to the E.U. Council of Ministers for further review. Even if it ultimately passes, it may not directly impact U.S. businesses. That said, consider the impact this could have on those companies that are affected. For example, Microsoft's emerging .Net platform offers a cookie-supported Passport service that allows a user to access personal data for use on any participating Web site with only a single entry of his or her e-mail address and password. The obvious advantage of this proposal is that it offers the ease and security that users want but do not have.

The short-term issue is how this program and many like it will work without existing tracking devices if they are forbidden in Europe. The longer-term issue is whether we need those cookies for the milk and honey to return.

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Besides the main Staples.com site, the group tests and tweaks designs on the company's Canadian site, BusinessDepot.com, and subsidiary Quill Corp.'s Quill.com business-to-business office supply site.

The Staples group does more than just run lab tests. Among other things, it conducts field tests, observing users in their work environments. The group also uses an in-house-developed online survey tool to get customer feedback using internal usability testing capabilities costs at least 25 percent less than outsourcing. Setting up an internal lab costs about $25,000, not including annual salaries for staff, said Matthew Berk, an analyst at Jupiter Media Metrix Inc., in New York.

Besides using testing labs, companies should consider implementing automated testing tools from companies such as Watchfire Corp. and WebCriteria Inc., experts say. Watchfire, of Ottawa, uses software agents to warn of World shifted its checkout process so that shipping costs were calculated upfront and not near the end of the process. In the first three weeks after the change, the site boosted sales by $60,000 and has seen an overall increase in the percentage of people who complete a purchase, said David Scifres, vice president of Internet services at parent company Affinity Group Inc., based in Ventura, Calif.

Even though most companies have focused their usability efforts on consumer and e-commerce sites, internal applications shouldn't be ignored. Poorly designed user interfaces are a major reason why self-service human resources applications such as benefits sign-up...