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Insight partner fast MAP Effective Marketing Research

Data tracking report

2012

Contents

Introduction

Consumers have long understood the data value exchange - in return for giving their personal information to the brands they trade with they get discounts, loyalty points, free entry into prize draws and the like. Major loyalty programmes like Tesco Clubcard, Nectar and Air Miles have all educated consumers about the apparent value their data has to companies.

This method of capturing and permissioning data has worked well for the last several decades. But it could be about to change in the wake of new legislation and a heightened awareness among individuals about their data rights. Combined with recent data breaches and an ongoing perceived abuse of personal information by marketers, a new exchange needs to be negotiated.

At its heart will be a recognition that the balance of power has shifted. It is often assumed that the consumer is now fully in control, using schemes like midata to extract their data from organisations that hold it or demanding higher financial payments for each consent they provide. For some consumers, this is the basis on which they want to interact with brands. But not for all.

Companies still have services, content and products that are highly desirable to consumers and which can demand a certain price of entry. That may be anything from accepting a cookie to providing an opted-in email address right up to extensive personal information. It depends on the sector and the value to the consumer.

What is fundamentally different in this new value exchange is that brands do not simply dictate the terms, nor can they rely on pre-existing trust in their company. Instead, they have to work harder to foreground how they are respecting consumers' data rights, protecting sensitive information and using it to ensure communications are timely, relevant, not intrusive and not excessive.

All of which is already best practice, just not necessarily being practiced in every circumstance. Few companies have the luxury of being the sole provider in a category and therefore able to exercise a degree of control which can sometimes strike the consumer as arrogance. Most of those businesses are leaders in specific technology fields or online service providers.

For the rest, the consumer is willing to engage in a mutual exchange of information - personal data traded for product details, content or enhanced service. This consent may have become more context-specific, dynamic and even harder to win.

Even so, consent is still there to be won, as this research amply proves.

Mark Roy
Chief Executive, The REaD Group PLC
mark.roy@readgroup.co.uk
Chair, Data Council, DMA

Equifax's perspective

Trust has to be earned, and in some cases we're not quite there yet

People like doing business with people they trust, and the same applies to brands. If you're happy with a product or service, you will, in all likelihood, repeat that custom. It's not rocket science, and yet trust remains the holy grail of marketing. It's at the heart of brand consideration and data driven marketing is no different. The problem is that trust can be lost all too easily and all too quickly.

A sure-fire way to lose consumer trust is through poorly targeted marketing. As marketers we've been beating that drum for over 20 years, and we'd like to think that we've reached a point where the direct marketing industry fully appreciates the irreversible damage that can be done. It's all about understanding the customer and the data you need to make a difference to them.

But whilst things have become more sophisticated in the traditional DM world, they are still very much in their infancy online.

Anybody that has signed up to one of the many online voucher aggregation services available will recognise just how prevalent poorly targeted marketing still is. Despite the roaring success of these voucher services, how many offers that you've received can you honestly say have been relevant to you, let alone opened, clicked or redeemed? It's a business model that's still evolving and one that's reminiscent of the early days of DM.

But this bedding-in period doesn't just apply to businesses; it's something that consumers need to be conscious of too. This is new territory, and users of social media can sometimes believe they are above the law and protected by a cloak of anonymity.

Before long, users of Twitter, Facebook et al will realise the potential ramifications of how open social media platforms are, and how everything, if necessary, is completely traceable. However, this is a transient phase and as the likes of social media ad targeting get smarter, people will learn and become more cautious in what they choose to share online. The boom in social media used worldwide represents an opportunity for marketers so vast that it would have been incomprehensible to those present at the birth of DM, and any successes to be had will be built firmly on trust.

fast.MAP's perspective

Consumers are continuing to get smarter about their data. For example 31% of people now only have just 1 email address and openly admit to having an address they give to organisations that demand data; this email inbox tends to not get looked at much though. But they are acknowledging increases in trust from certain sectors when it comes to data. Public services in particular have risen from 52% to 72% in the last 2 years. And while trust in the legal and banking sectors is recovering, the financial services sector would be wise to focus more on re-building confidence via their perceived ability to handle customer data professionally.

Direct marketers need to take on board that a consistent trend over the four waves has been the loss of trust created by the distribution of unwanted marketing materials from 21% to 27%. As consumers become more aware of how personalisation works and the personal benefits, they will become less tolerant of brands that don't send them the right message at the right time.

For the first time since the study began, more consumers hold companies and organisations responsible for the security of their data than consider themselves to be responsible. Brands would be wise to plan accordingly.

Paul Seabrook
***Director, fast*.MAP**
paul.seabrook@fastmap.com

Executive summary

The (DMA)/fast.MAP Data tracking report 2012, sponsored by Equifax, links the rise in consumer confidence in sharing data with improving practices to secure trust. This document reports on the findings of the fourth data tracking consumer survey which was broadcast to a UK representative sample of 1000 people in September 2012.

The report states that consumer willingness to share information with brands has rocketed in the past 18 months.

- The number of consumers happy to provide their data to brands selling 'products they might consider buying' has climbed nearly 45% in the past 18 months from less than two in ten (20%%) to three in ten (29%).
- Six in 10 (63%) of consumers are now willing to share their information with brands 'selling products they have to buy' compared just over half (56%) in April 2011.
- Over 50% are willing to provide basic information such as one's name, address and email to businesses, an increase of 63% on average from 2011.
- Trust continues to remain a central plank in consumers' confidence to share data
- Having a clear data privacy policy is increasingly regarded as essential: now, two in five (43%) state it would encourage them to share their data compared to one in three (33%) 18 months ago
- The manner in which data protection notices are worded can improve the permission-to-market rate by as much as 100%, with the best statements reducing opt out rates by as much as 10%.

1. Trust and security

Trust is the most important factor in the data exchange with consumers. But it is no longer the sole dimension - companies must now have a clear privacy policy, too. While not yet a legal requirement, this is fast becoming a consumer requirement.

By contrast, the long-established practice of the value exchange - providing specific rewards such as discounts, samples or points - appears to be falling out of favour. The way to gain data now is to earn it, rather than to buy it.

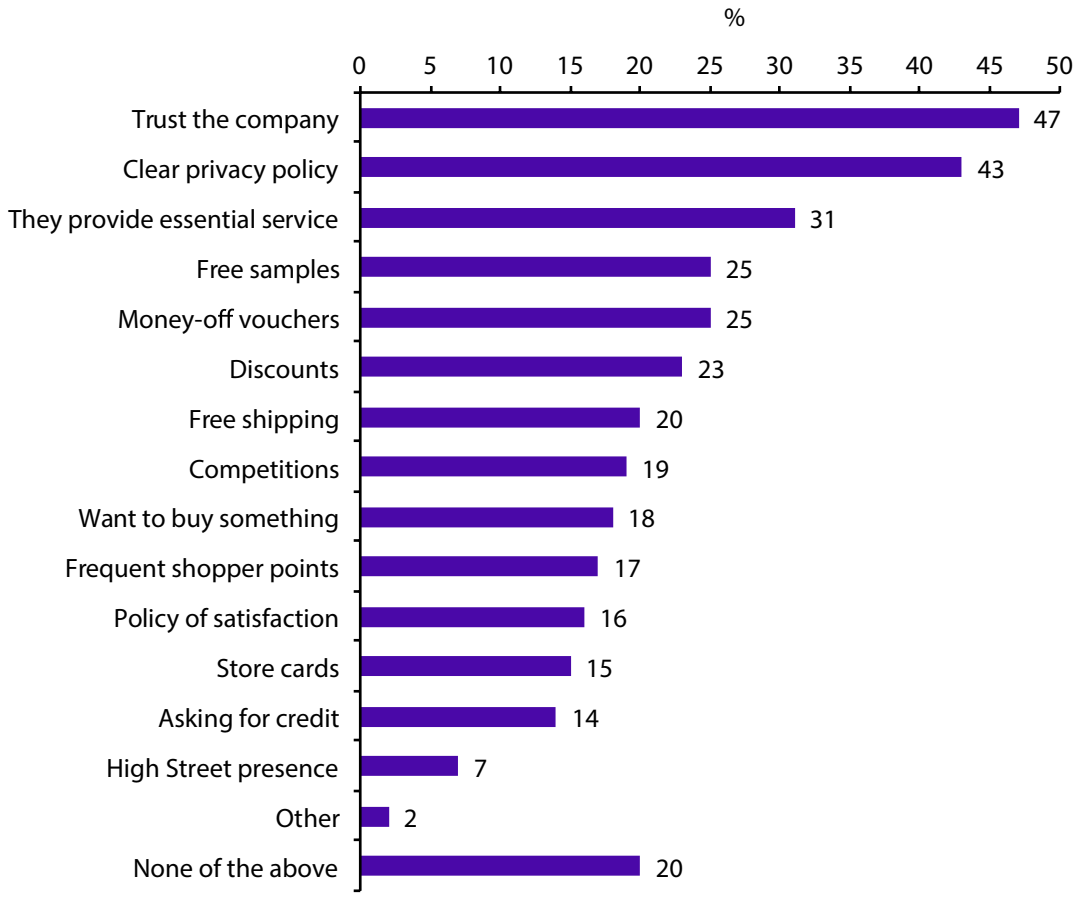
A segment of consumers want to remain anonymous even when accessing services or making purchases. This behaviour could be seen as a forerunner of the proportion likely to exercise their "Right to be Forgotten", should this be granted by law.

Trust continues to be enjoyed most by sectors with long track records, such as legal services, savings and mortgage lenders. But both local and central government have enjoyed a return of levels of trust, even if this does not translate into confidence in political parties themselves.

Personal experience influences trust, although increasingly, it is unwanted marketing that can lead to an erosion of faith. Companies can do much to sustain these confidence levels through the information they provide to consumers about data protection policies, online security features, data sharing and contact details. All of these have become much more important to consumers since last year.

Despite ongoing media coverage of data breaches, three quarters of consumers still have no direct experience of a data loss. Even so, concern about data security has grown rapidly and nearly half of consumers now take proactive measures to defend their personal information.

Prompts to provide personal information

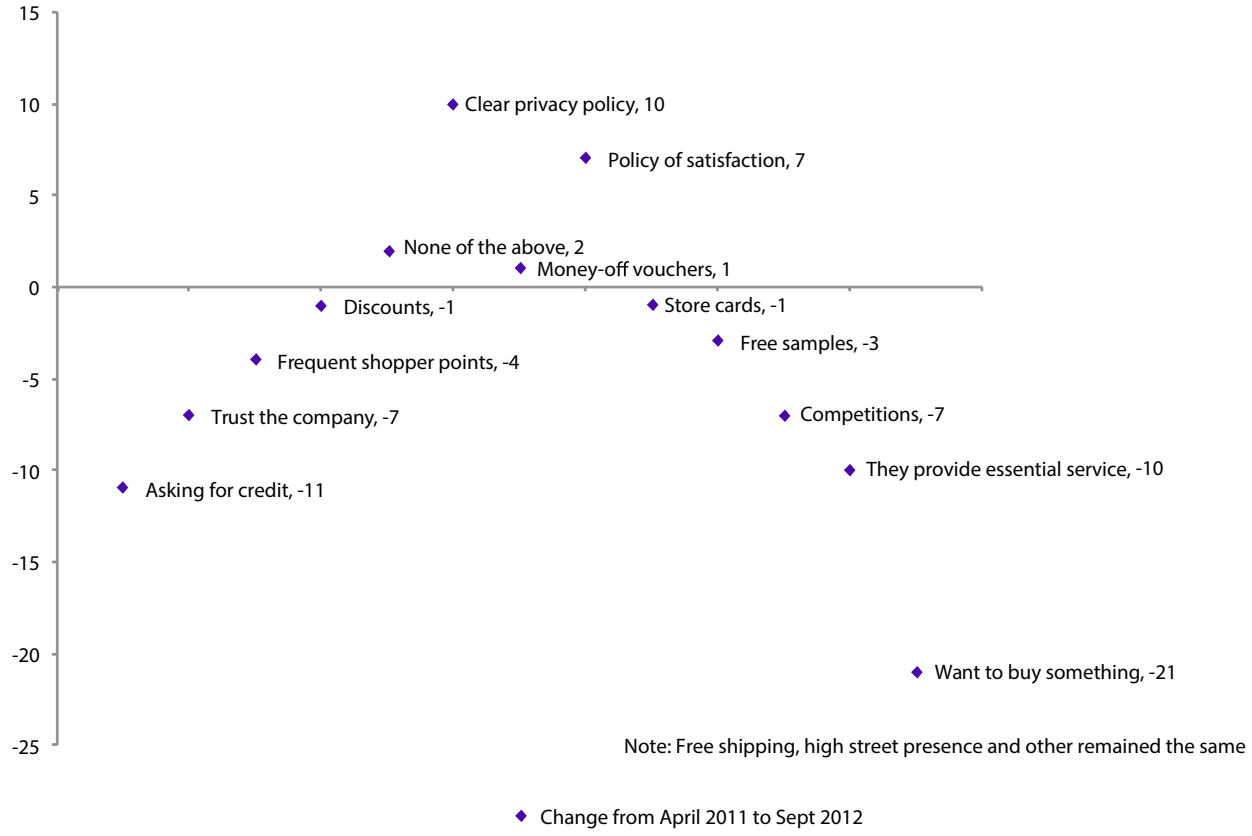


Companies that build trust with their customers are more likely to be provided with personal information. But trust is not the only basis on which the data exchange will take place - having a clear privacy policy is nearly as strong a factor for consumers when deciding whether to give their data. With forthcoming legislation likely to foreground the need for consent, this is a clear indication that companies can benefit from greater transparency.

Data can also be captured in returned for specific incentives, with one quarter of consumers seeing free samples, money-off vouchers and discounts as a fair exchange for their information. A further fifth also welcome free shipping, which suggests an understanding of the monetary value of data for organisations. More promotional offers, such as competitions or points can be influential for a smaller segment of consumers.

It is notable that three out of ten consumers recognise the need to provide their information to organisations which are providing them with an essential service. By contrast, one in five consumers claim there is nothing which would prompt them to give out their personal details. In reality, they are unlikely to avoid being able to do so, but their resistance should be noted and respected where possible.

Prompts to provide personal information

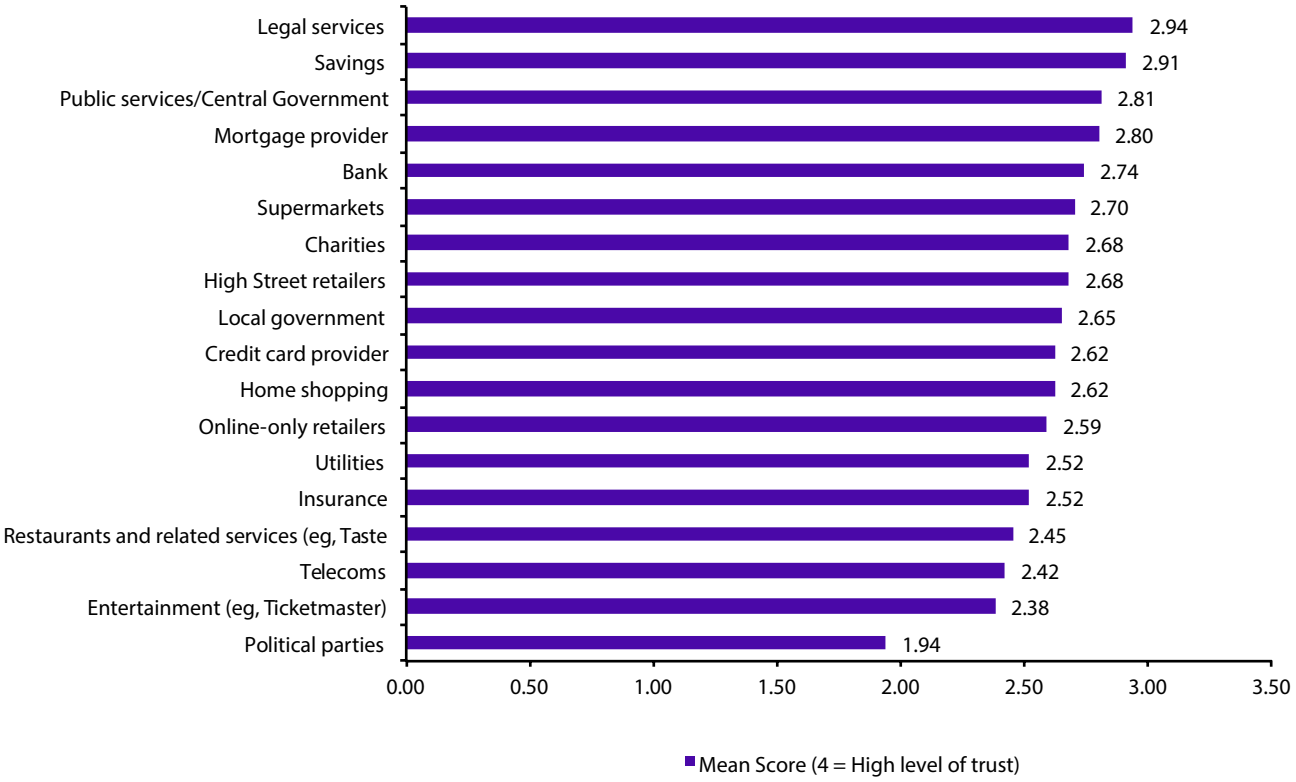


Drivers of the data exchange are highly dynamic with significant shifts in attitude occurring between September 2012 and April 2011. In particular, there is a much greater willingness to share data if the privacy policy is clear - consumers are obviously becoming more interested in how their data is to be used, managed and protected. The rise in satisfaction as a prompt has to be understood in this light. Companies now need to engage in an open dialogue with consumers around how their data will be used.

By contrast, companies can not rely as much on instinctive trust of the business, which seven per cent lesser in 2012 than what it was in 2011. Promotional offers are also less effective, with sharp falls for the impact of competitions on data sharing, as well as lower ratings for points, samples and discounts.

There is also evidence of the rise of the "anonymous consumer" - individuals who would prefer to make purchases, access services or ask for credit without giving out their data. All three of these prompts have fallen in significance, suggesting a greater wariness about why companies need to capture information. This trend does suggest that the potential "Right to be Forgotten" which might be granted to consumers could get widely exercised.

Trust with personal information by sector

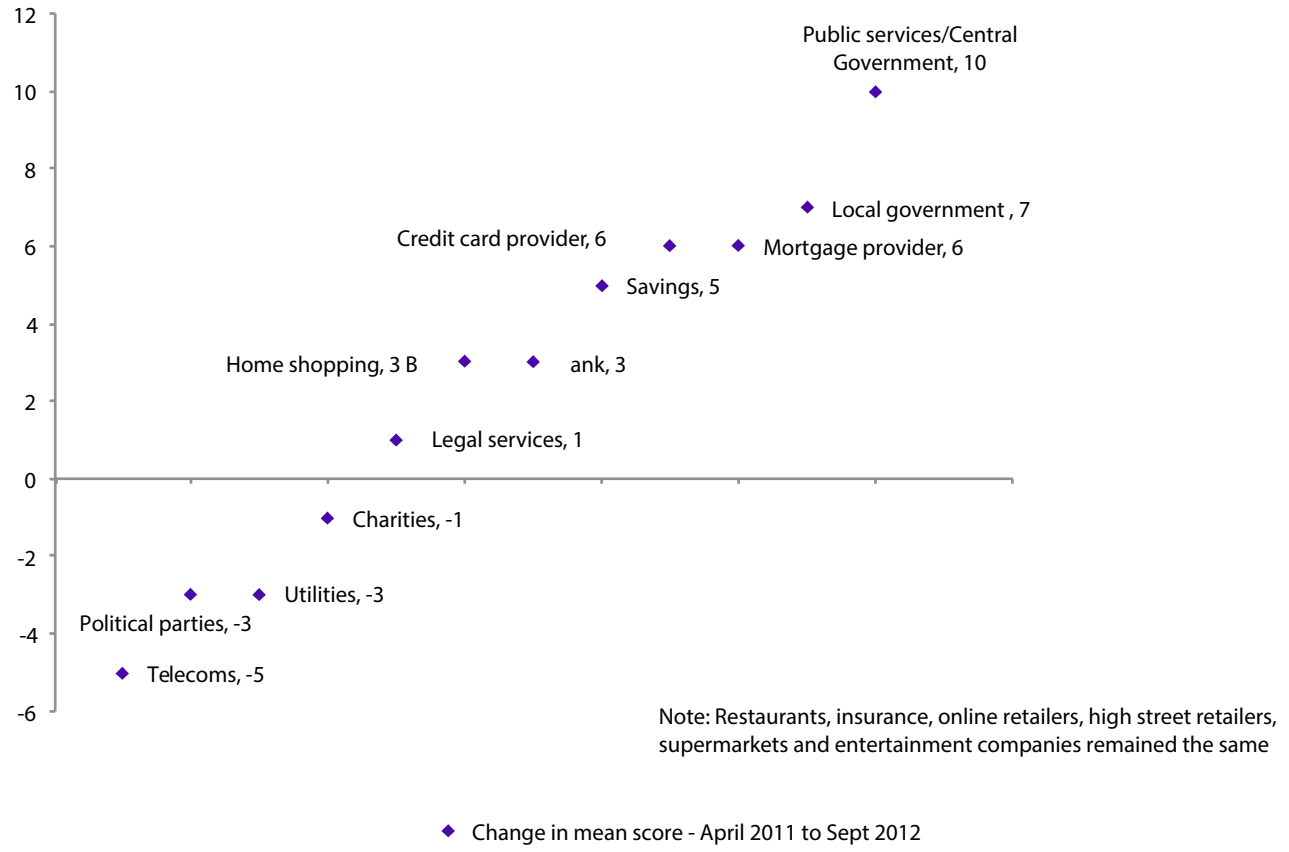


Consumers have a differential view of which types of organisation they trust most with their data compared to others. The most long-lived sectors also have the highest levels of trust, such as legal firms, savings, public services and mortgage providers. All of these can be expected to be around for decades and therefore attract high levels of trust.

Commercial operations have managed to build strong levels of trust even when they have not been in existence for long - online-only retailers have nearly the same trust rating as local government, for example, while the role of supermarkets gives them as much trust as banks.

But some sectors clearly suffer from a trust deficit. Utilities, insurance and telecoms - despite being part of every day life - have one-fifth less trust than sector leaders, perhaps because they have over-used the personal information they are trusted with. Service sectors like restaurants and ticketing are among the least trusted of all, but it is political parties that have not sealed the deal with consumers, few of whom have a positive view of these organisations.

Trust with personal information by sector 2012 v 2011

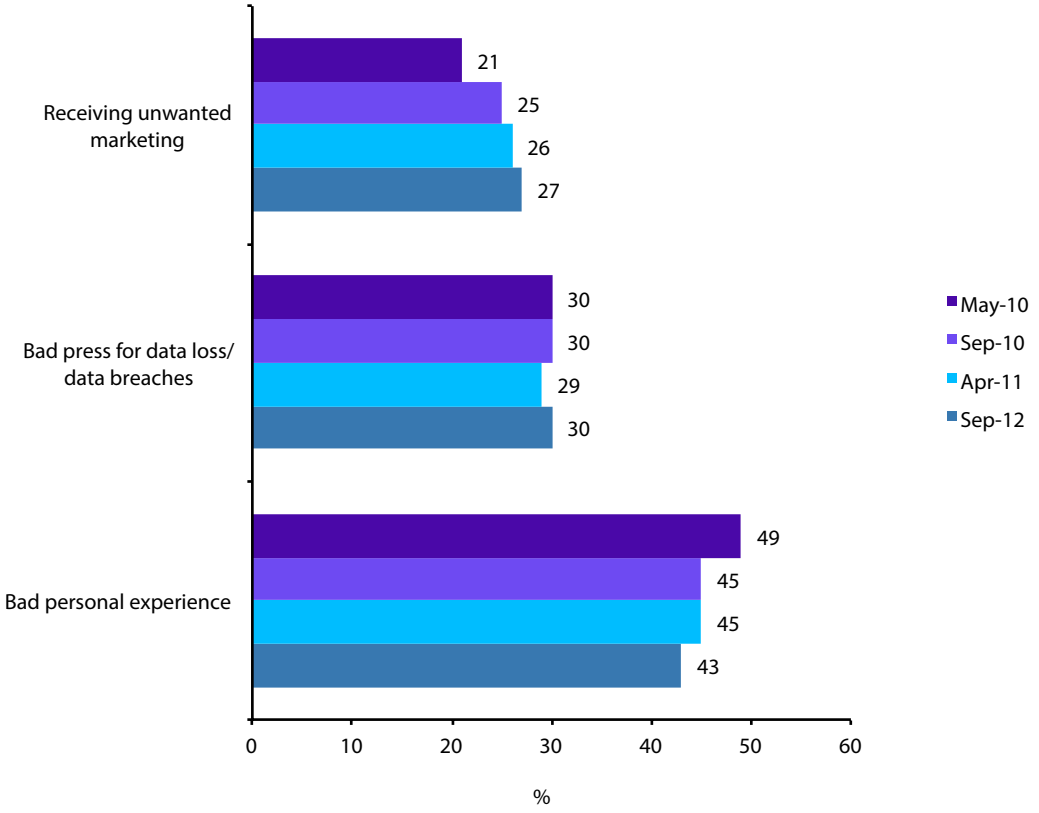


Levels of trust have risen for significantly for nearly half of all sectors, with a strong return in belief levels for public services. This may reflect growing reliance on the state among consumers struggling in the recession, as well as significant improvements in data management practices by these organisations. Local government has been a similar beneficiary of better trust.

As consumers continue to work through the economic difficulties, financial services providers are seeing some return of trust with good rises among consumers in their trust in mortgage providers, credit card providers and savings companies. Banks have also seen a more modest rise as the impact of financial collapses and mis-selling scandals starts to wane.

Falling trust in telecoms and utilities companies is harder to explain, other than the possible nuisance factor of their cross-sell and up-sell marketing activities. If consumers believe personal information is being over-used in this way, it can trigger a loss of trust. For political parties, however, there is no obvious explanation other than an ongoing loss of faith in politics as a whole.

Trends in causes for losing trust

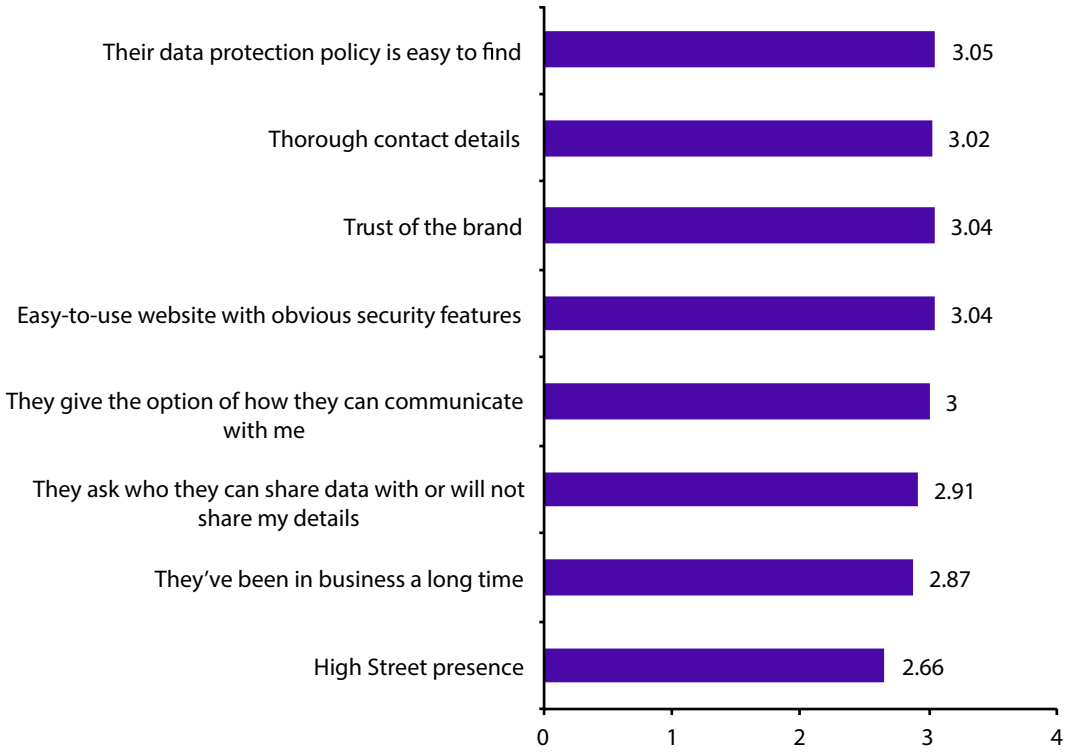


If the consumer has a bad personal experience of a company, it directly affects their trust in that business. This remains true, even though the impact of something going wrong has seen a drop of 6 per cent over the course of the last three years.

Awareness of media coverage of data losses or data breaches continues to be the second most likely cause for a loss of trust. It is regrettable that the last few years have given consumers ample evidence of the potential risks to their data. Accordingly, this factor remains stable.

Marketers have not been doing themselves many favours, however. Over one quarter of consumers say that receiving unwanted marketing would make them lose trust and this indicator has been increasing steadily year-on-year. It now stands six points higher than three years ago, suggesting there has been a growth in resistance among prospects.

Factors in confidence in online data security



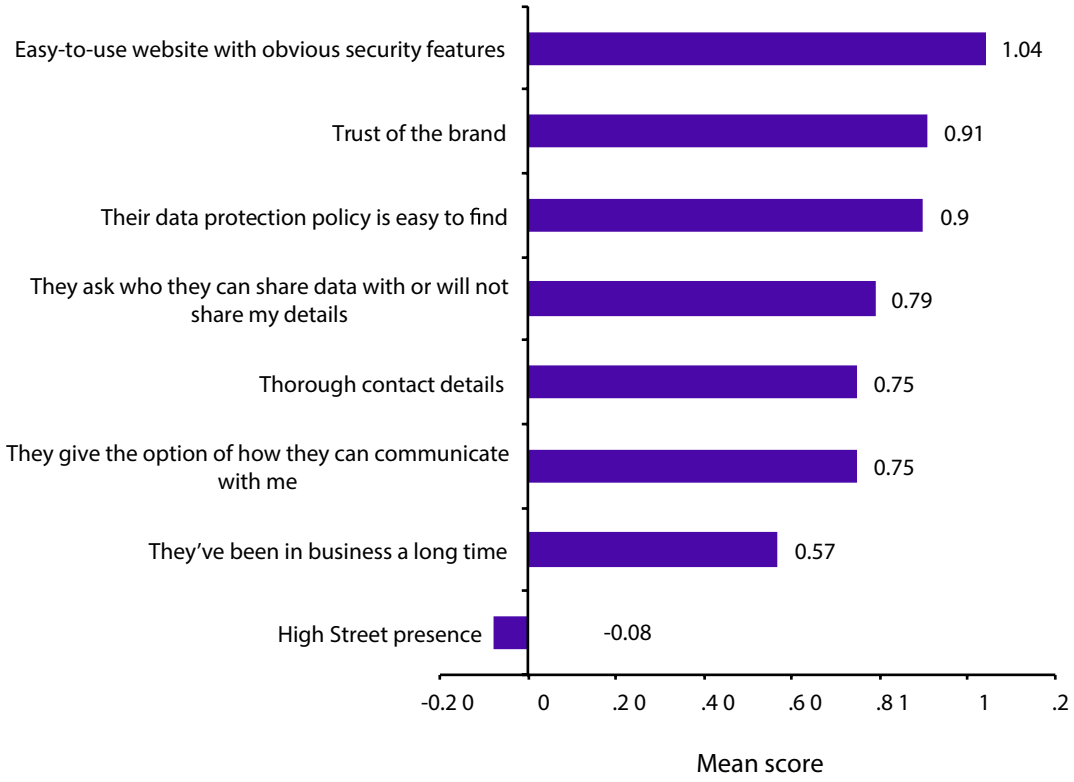
Online interactions generate a lot of personal information and regularly demand an exchange of data in return for access to services. There is much that companies can do to build confidence in their treatment of that data which goes beyond just relying on trust of the brand - this is only ranked third overall.

Practical measures can help to build confidence significantly, especially making the privacy notice easy to find. This is further underlined by the high rating given to providing multiple options for being contacted, rather than a single, over-arching permission request, although there is slightly less sensitivity around data sharing.

Clear contact details for the company are also important - being online only should not preclude giving points of contact for consumers. They also value having obvious security built in to the website, something that should be straightforward and basic in a web development.

Pure-play digital companies are at no disadvantage to multi-channel brands or well-established businesses, however, since length of time the business has been trading or a High Street presence are the least important dimensions in confidence.

Changes in confidence in online data security from April 2011 to Sept 2012

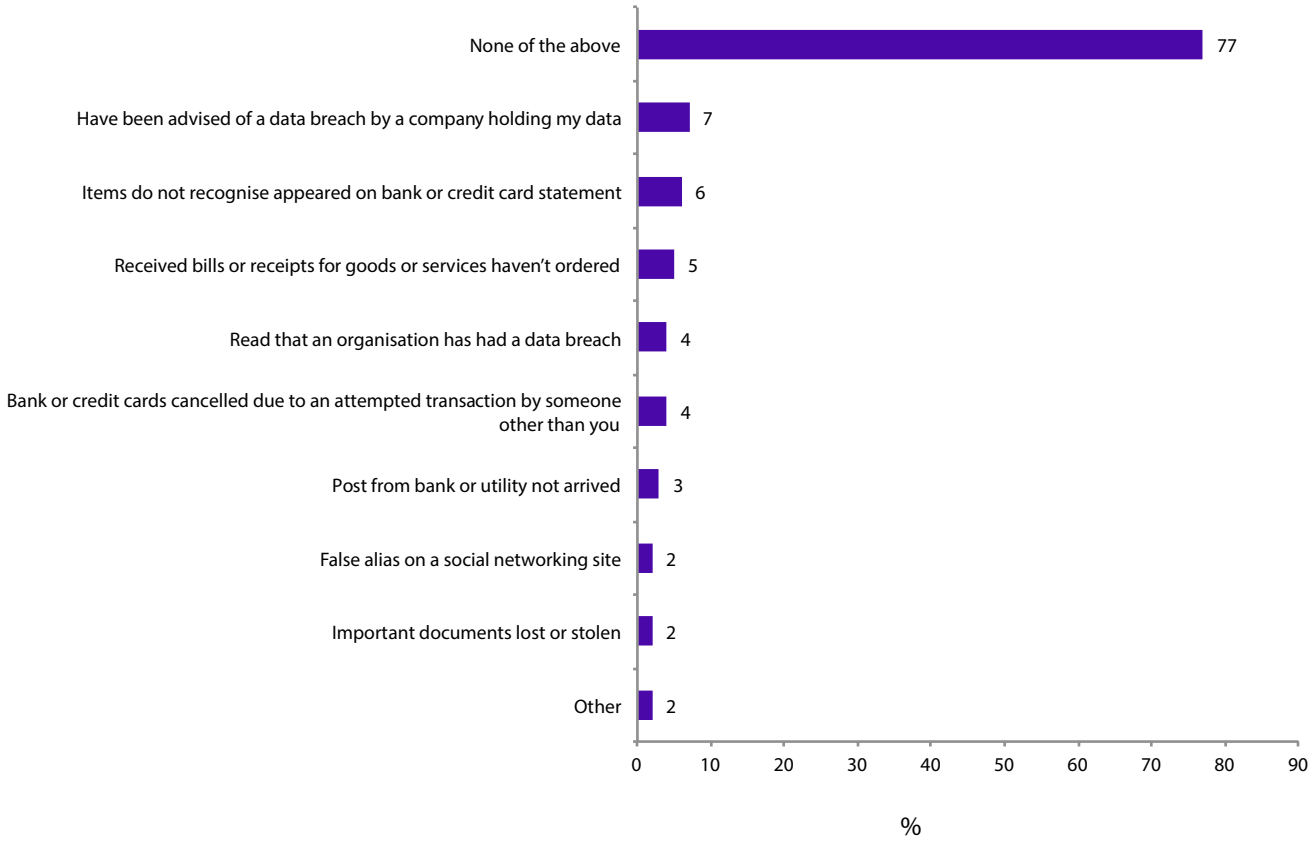


Every factor that creates confidence in online data security has grown in importance over the last 18 months (bar one). This has to be taken as a sign that consumers have grown more wary about how their data is managed in the digital world and are actively looking for reassurance.

Building security features into the website has become more important overall, alongside easy-to-find data protection policies. These indicate a higher awareness of the measures that give consumers protection in the online world. Informing the consumer about data sharing and multiple preferences of being contacted are also signs of a better informed digital consumer.

In an era where many companies have failed, trust has strengthened as an issue, together with the reassurance of knowing how to contact the company and that it has been trading for some time. Only a High Street presence has softened in importance since last April, reflecting the closure of swathes of physical retailers. Consumers no longer necessarily expect to find a store to shop in, especially if they have become accustomed to shopping online.

Experience of data breaches

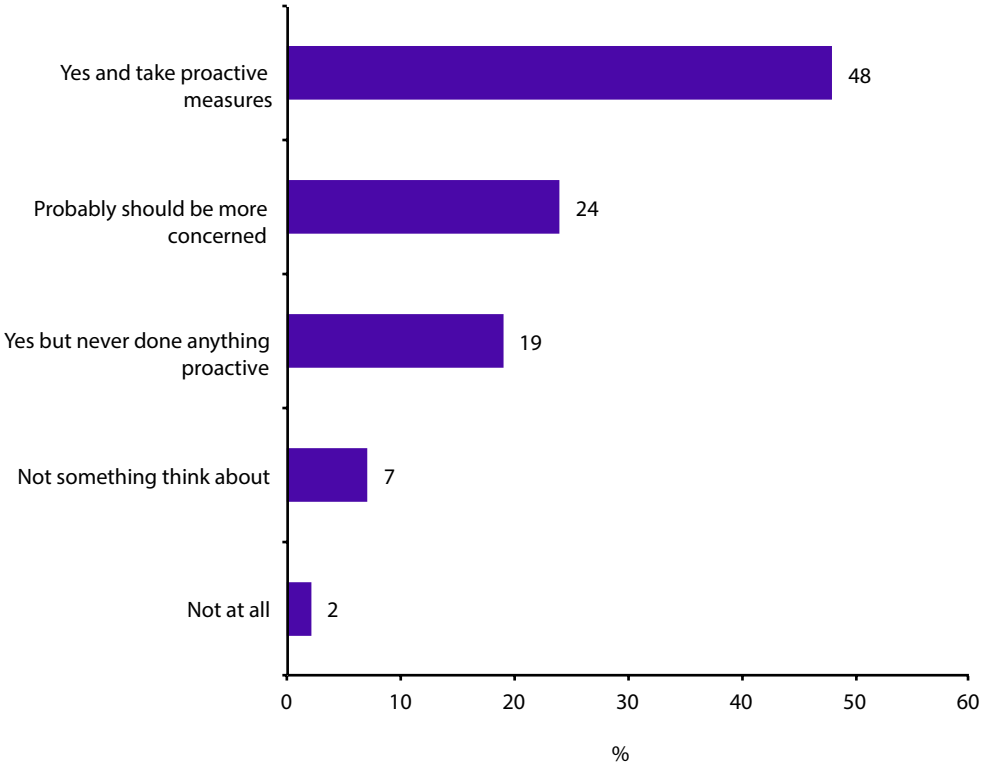


It is reassuring that three quarters of consumers have not had any experience of a data breach in the last six month. That one in four did report some kind of issue is poor, however, given the potential impact which a data breach can have for the individual.

Direct notification of a data breach has happened to one in 14 consumers, enabling them to take remediation steps if sensitive information has been exposed. A worse experience is for the 6 per cent who have found transactions they were not responsible for on their bank or card statements and for the 5 per cent who have been billed when they did not place the order. These are the direct consequences of frauds such as account hijacking and takeover or identity theft. Another 4 per cent discovered a problem when their card was unexpectedly cancelled because the issuer had identified a data breach.

Reports of data breaches without such direct experience did occur, as did physical evidence such as post not arriving or documents being stolen. For the moment, issues with social networks are not contributing significantly to the experience of data breaches, although this remains a high risk.

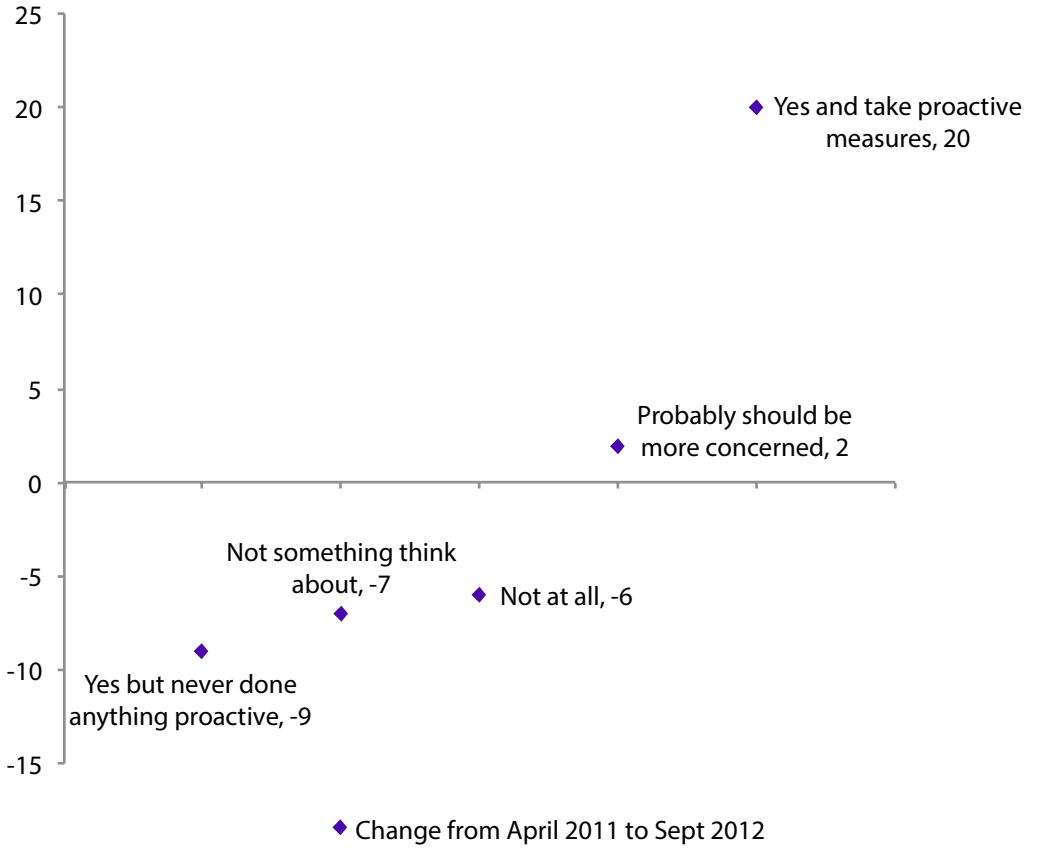
Protecting personal information



When consumers provide organisations with their personal information, they do so as an act of trust. At the same time, they also look for information about how that data is likely to be used or shared. So it makes sense for them to also take steps to protect their own information, especially if they are concerned about its security. This is what nearly half of consumers now do - actively monitoring their data security out of concern.

Awareness that there are risks can also be found in a further one-fifth of consumers, although this group has yet to take any steps to assure their data's safety. By contrast, one quarter have a "laissez faire" view - they know there are reasons to be worried (such as media reports about data losses), but are not taking any action to protect their own information. Only one in ten remain unaware of the issue.

Trends in protecting personal information



Consumers have become significantly more aware and active in protecting their own personal data over the last 18 months. The proportion who have concerns about data security and take measures as a result has increased by 71% since last year, reflecting higher awareness and also wider distribution of tools to protect information (from cookie tracking tools like Ghostery and website validation services like Trusteer Rapport through to ID fraud protection).

This shift has dramatically reduced the number of consumers who are unaware that personal information can be at risk or who know that a threat exists, but take no action. While this is a positive move - since it will make the supply side of data more secure - it also places extra pressure on organisations to support consumers by providing tools and visibility of how their data is being protected.

As a consequence, responsibility for protecting data is moving towards companies themselves - 3 per cent additional consumers say they should have responsibility now than last year - and also towards the Information Commissioner - named by 5 per cent additional consumers. In return, 4 per cent fewer consumers currently believe it is down to them to protect their data.

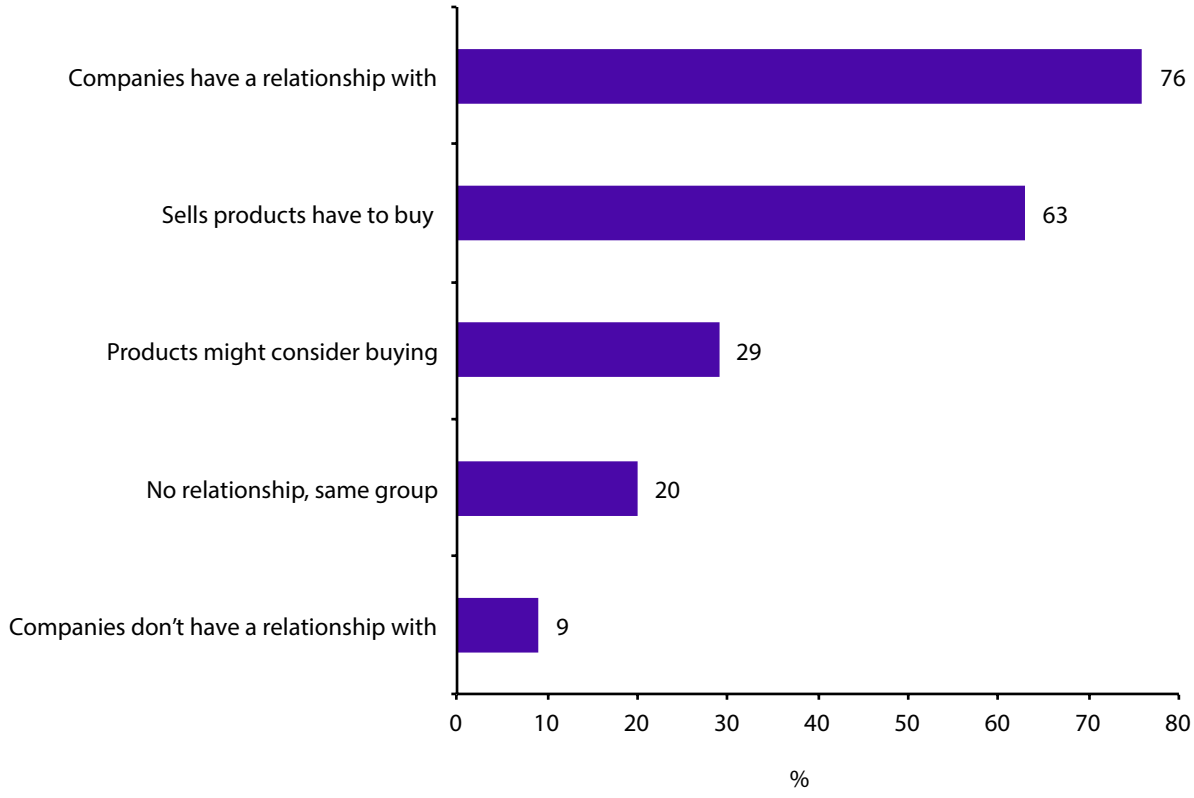
2. The data exchange and return

Relationships are at the heart of the data exchange, both those consumers choose to have and those they must have. There are very clear boundaries to these relationships, however, which do not include sharing data with companies in the same group in most cases. Indications can be found of a return in the potential for prospecting over the last year at the same time.

Information provided by organisations to consumers during data capture have a significant impact on their willingness to provide personal information. In particular, consumers prefer companies that will not sell on their data, as well as those with transparent data protection notices.

Email addresses are now more easier to obtain than postal addresses in most cases. Yet the anonymous consumer can still be found, especially where a social media account is being created of support for a charity pledged. Overall, consumers have become more willing to give out core demographic information than last year, but there is greater wariness about providing sensitive data.

Companies which consumers will share data with

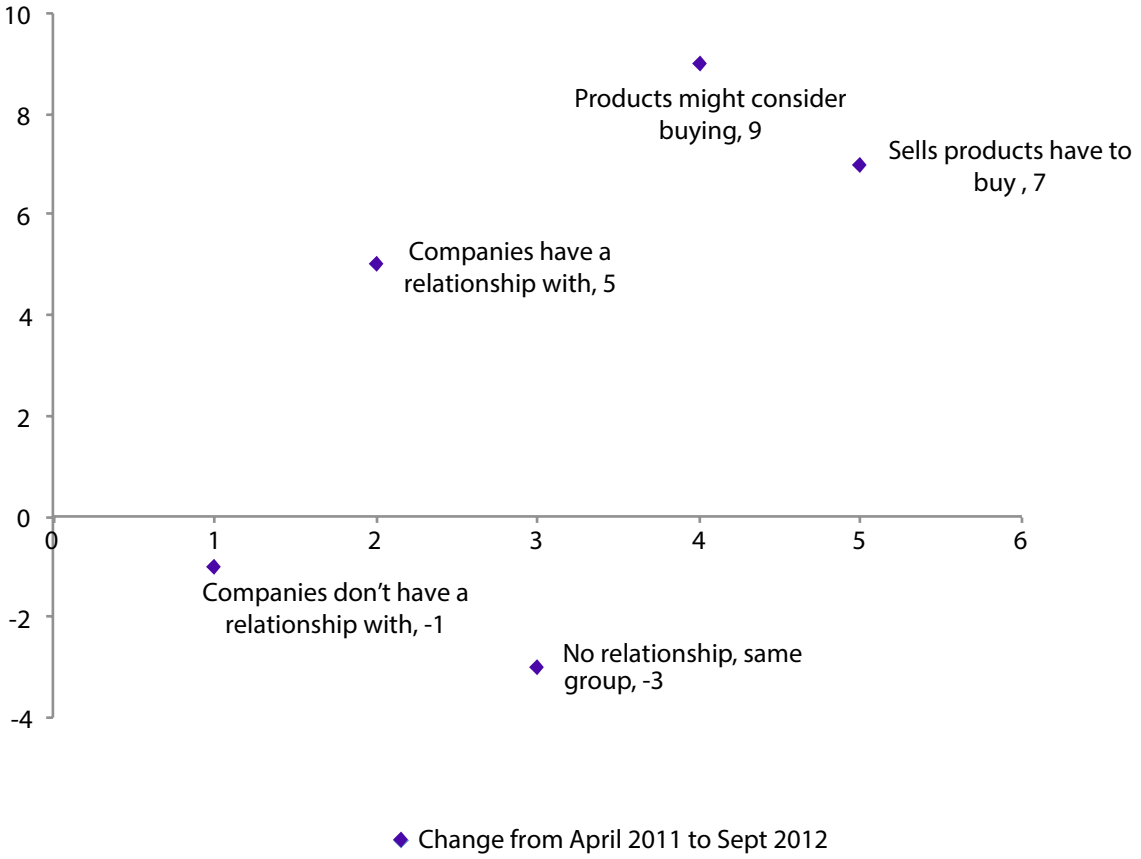


If trust sits at the heart of the data exchange, it is because of specific interactions which individuals have with organisations. In particular, an ongoing relationship makes consumers significantly more willing to share their data - three quarters would provide data to a company they already know.

This relationship has very clear boundaries - only one in five are happy for other companies in the same group to have their information if they do not know them, for example. Surprisingly, this is less than the number who will give data to companies selling products they might buy in the future. Aspiration is a strong motivator, it seems. But again, just 9 per cent will give data to unknown companies - the more a business can build an awareness ahead of a relationship, the easier the data exchange becomes.

Pragmatism also rules among nearly two thirds of consumers who will give their data to companies selling products they have to buy. The more these organisations can minimize their data ask, the more likely consumers will be to share that information.

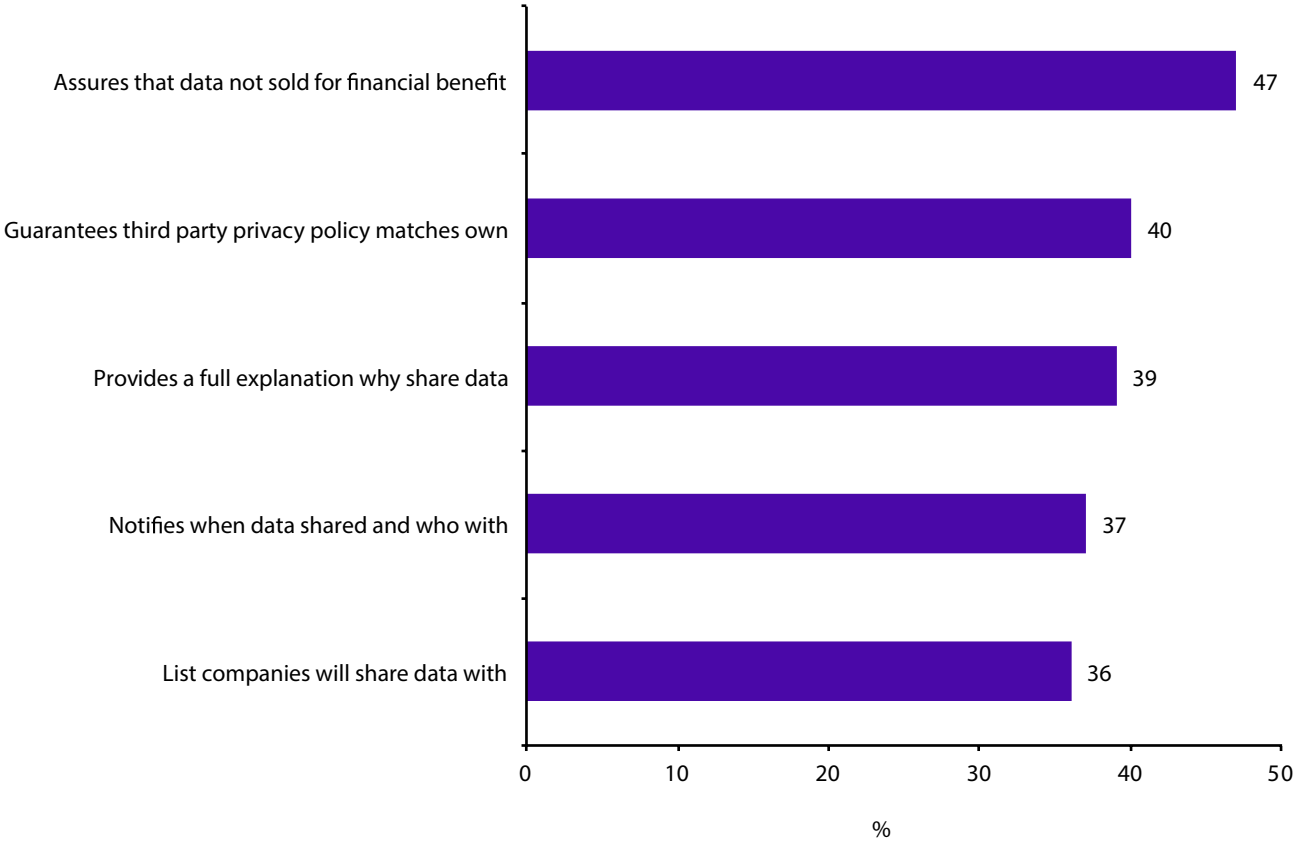
Trends in willingness to share data



Aspiration may be returning to the consumer marketplace and with it a greater willingness to exchange data. With 45 per cent more consumers saying they would give data to companies selling products they might consider buying compared to last year, this is creating more opportunities for prospecting than have been seen for some time.

In parallel, organisations with an existing relationship can leverage this even more to capture data on customers, with 7 per cent more of them claiming a willingness to provide information to businesses they know. This is even more likely to happen if the product is a necessary one. But cold contacts have seen their place in the data exchange weaken, even if they are part of a group which the consumer already trades with.

Increasing the willingness to share data

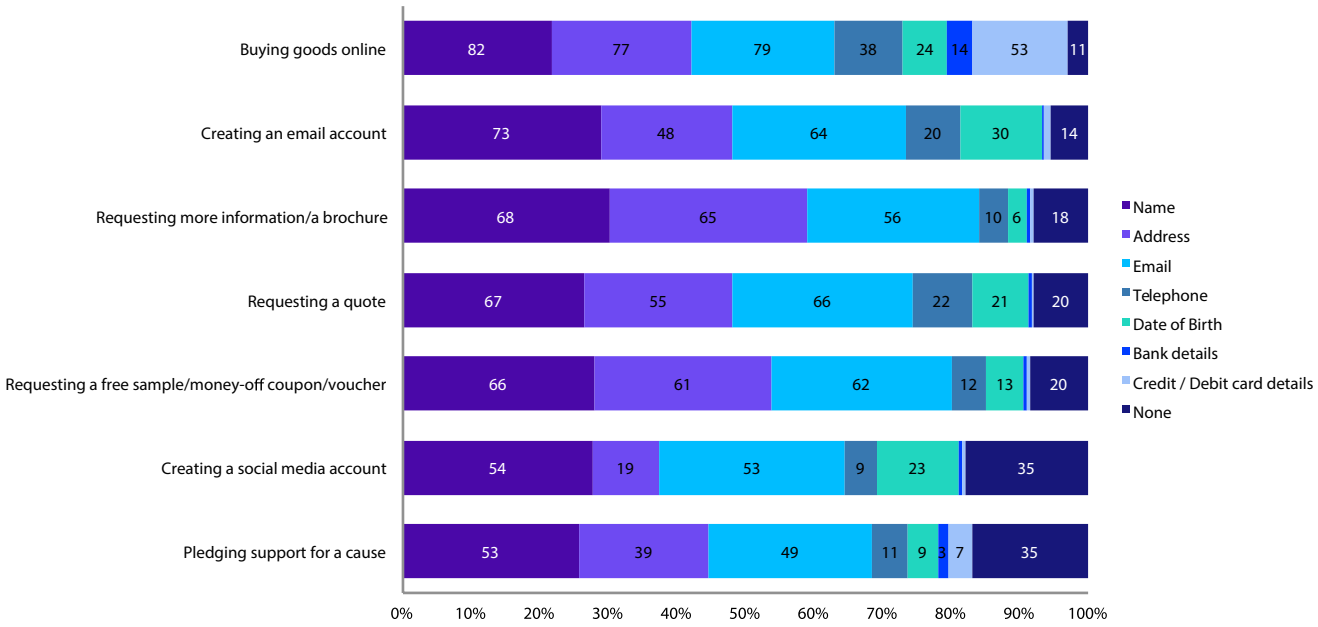


Consumers are very specific about what companies should do to increase the likelihood of a data exchange. For nearly half, it is important that the company is not looking to monetise that personal information further - another indication that there are strict boundaries to relationships in the mind of customers.

Knowledge of the importance of privacy notices during data collection is evident among around four out of ten consumers. These are individuals who look for obvious statements about the parameters of data collection, from ensuring any third parties apply the same standards and explaining why data may be shared with them through to providing information about when sharing happens and with whom.

At the moment, this degree of notification is an option for marketers. Under proposed new legislation, it could become mandatory. In this respect, a large segment of consumers are already ahead of companies in their demands for better data rights.

Willingness to share data elements



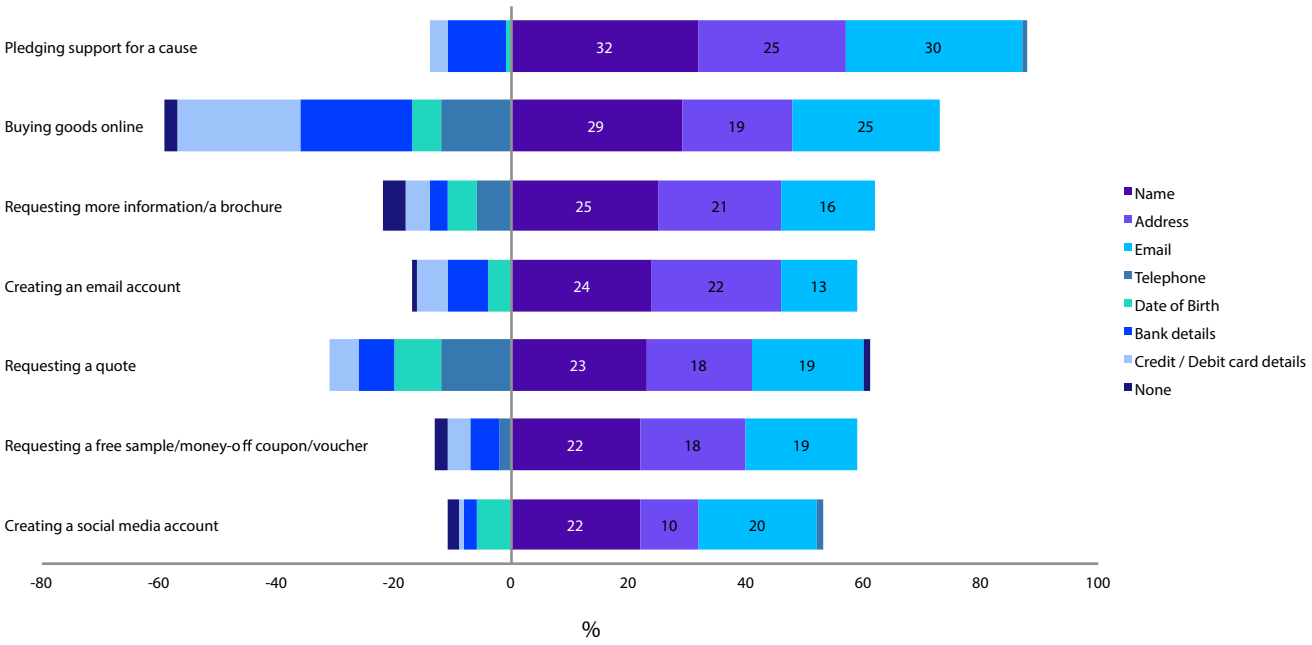
The data exchange is differential - circumstances dictate what pieces of data consumers are happy to share and with whom. The more transactional the interaction, the more likely consumers are to be willing to provide their data.

Providing a name is anticipated by the majority of consumers in every scenario, from pledging support to a charity or creating a social media account through to creating an email account or buying goods online. Yet there are still some limitations to this willingness to reveal who the individual is - address will be supplied by the majority in the context of buying or considering making a purchase, but not in social media or pledging to charity.

By contrast, the virtual consumer is now in control - providing an email address is more acceptable in all except one scenario (requesting a brochure). That has important implications for organisations wanting to validate the identity of a customer, since email addresses are less reliable than postal addresses.

Sharing of more sensitive information is at a much lower level - a company is likely to need a specific reason to request a date of birth or financial details before these will be provided.

Trends in willingness to share data elements



There has been a remarkable increase in the willingness among consumers to provide core demographic information about themselves in every type of interaction with business. Compared to last year, for all the different business interactions, on an average 69% more consumers will give their name and 54% more consumers will offer their address. Email addresses are shared more widely across every interaction, too.

Conversely, consumers have become more restrained about providing sensitive pieces of information. Some of this may reflect issues with data security over the last 18 months - there has been a big fall (28 per cent) in the number of consumers who will give their credit or debit card details when buying goods online, for example. This may be due to recent data breaches and also suggests that intermediaries (such as Paypal or Worldpay) which remove the need to input card data could benefit.

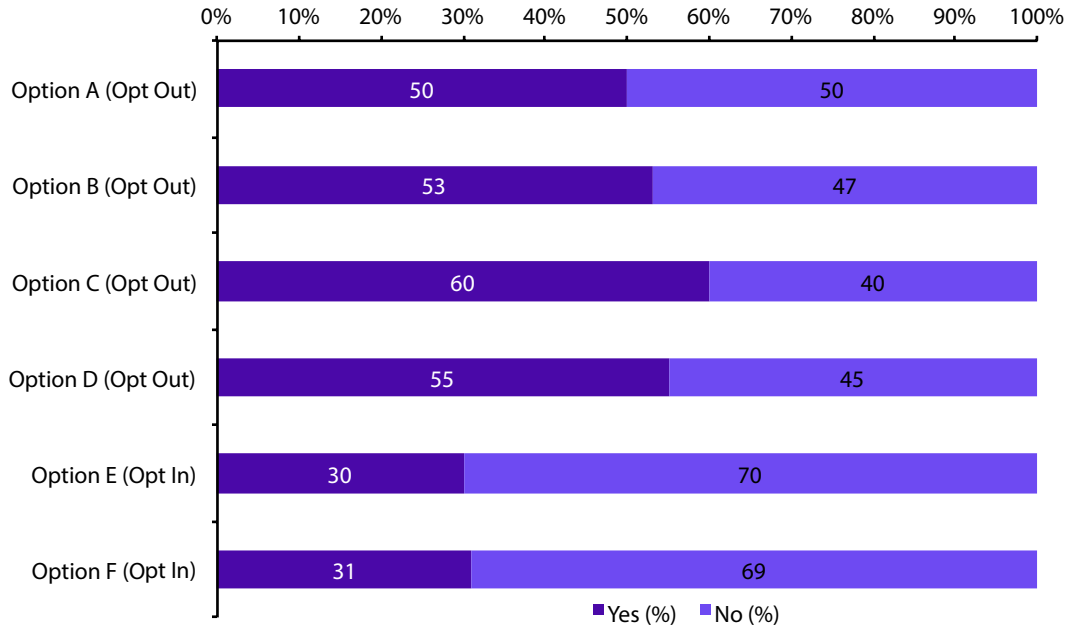
3. Privacy rights and controls

How data protection notices are worded can improve the permission-to-market rate by as much as 30 per cent. The best statements can reduce opt-out rates by as much as ten per cent. Splitting out house usage from third party data sharing delivers a significant benefit to data collection routines.

Unsubscribe rates can also be affected by the way data gets used subsequently. In particular, consumers dislike receiving communications that are not relevant or are too frequent. Providing high value information will also have a major influence on whether an individual unsubscribes or not.

With rising sensitivity among consumers towards data protection notices and reasons to unsubscribe, it is important that data collection notices are tested and made more creative.

Exercising the option during data collection



The nature of the option presented to a consumer during data collection and the way this is worded can improve the level of permissions gained by up to 30 per cent. While it is the case that levels of opt-in are half those of opt-outs, it is still possible to get 10 per cent fewer opt-outs depending on how the statement is positioned.

Consumers were provided with six different consent statements:

> Option A - We have some great offers and promotions that we'd like to tell you about, but please tick the box if you would prefer not to receive them from The ABC Household Name Company.
>
> Option B - Our bespoke holidays are the talk of the town and so The ABC Household Name Company would like to keep you up to date with the latest special offers and promotions. We'd also like to share your contact details with our carefully selected partners who will also send you occasional marketing messages that we think you'll enjoy. Please tick here if you would rather not receive these messages
>
> Option C - We're sure you won't be disappointed with the messages we'll send you (and we'll make it easy for you to change your mind later on if you no longer find our offers and promotions useful) but please tick the box if you don't want to receive the latest special offers, promotions and product information from The ABC Household Name Company.

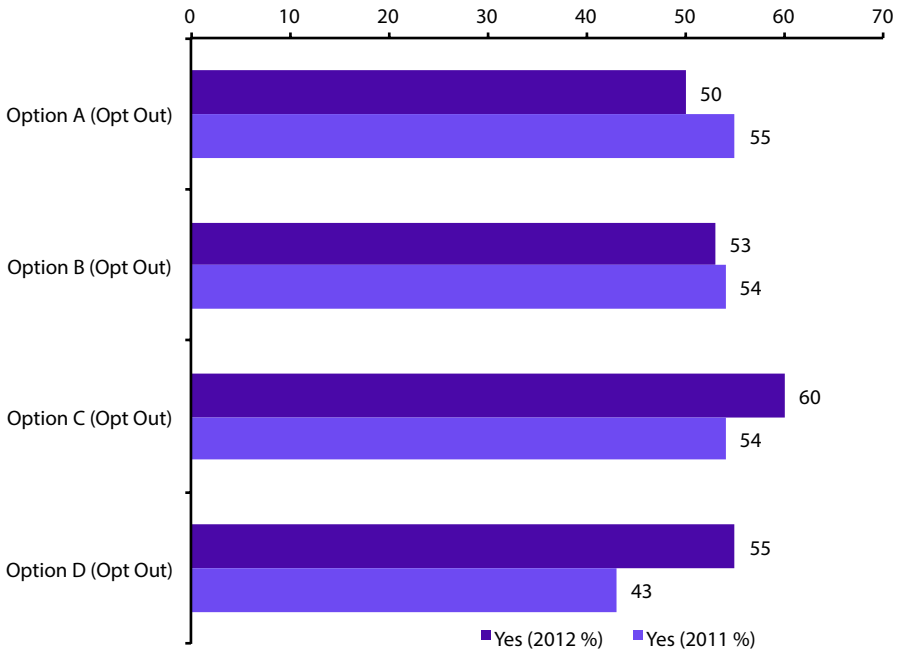
Option D - Our bespoke holidays are the talk of the town and so The ABC Household Name Company would like to keep you up to date with the latest special offers and promotions. Please tick here if you would prefer not to receive these messages

We'd also like to share your contact details with our carefully selected partners who will also send you occasional marketing messages that we think you'll enjoy but if you would prefer not to receive these messages please tick here

Option E - Our bespoke holidays are the talk of the town and so The ABC Household Name Company would like to keep you up to date with the latest special offers and promotions. We'd also like to share your contact details with our carefully selected partners who will also send you occasional marketing messages that we think you'll enjoy. Please tick here if you would like to receive these messages

Option F - Our bespoke holidays are the talk of the town and so The ABC Household Name Company would like to keep you up to date with the latest special offers and promotions. Please tick here if you would prefer not to receive these messages

We'd also like to share your contact details with our carefully selected partners who will also send you occasional marketing messages that we think you'll enjoy so tick here if you would like to receive these messages

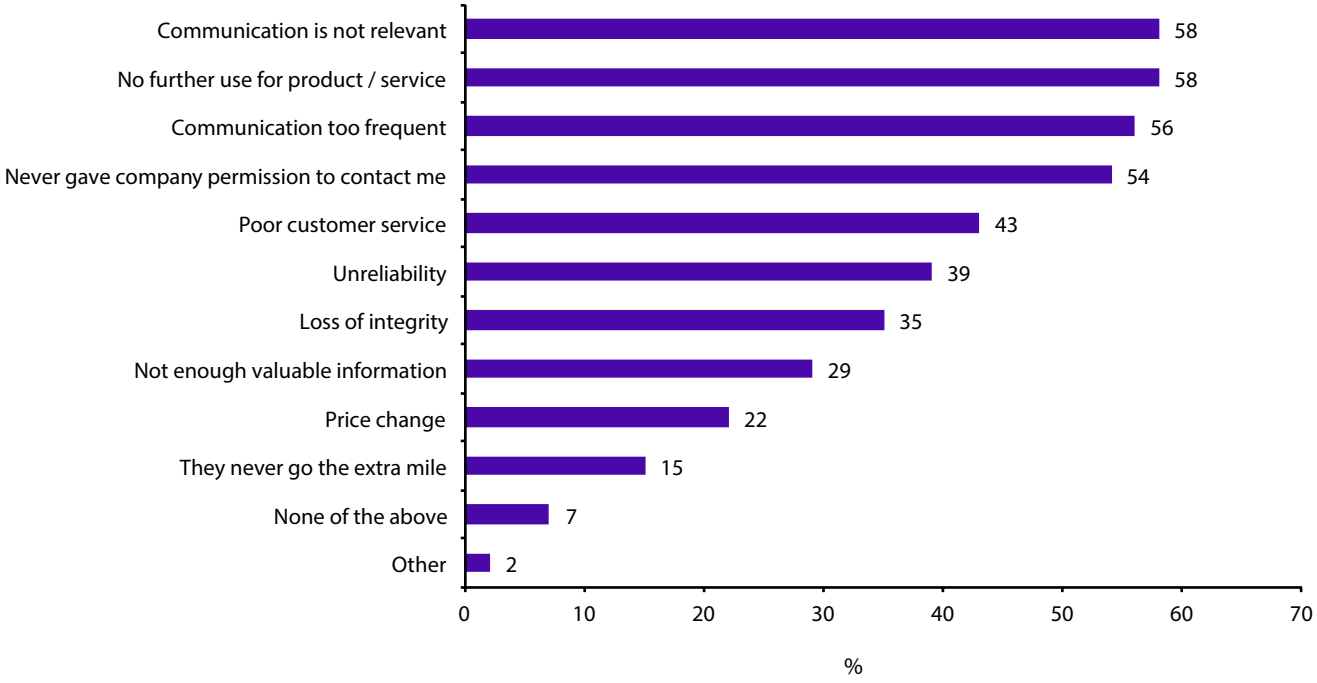


Trends in exercising the option during data collection

Opt out rates have risen overall compared to 18 months ago, with more consumers likely to tick one of the options presented than previously. However, there is greater discrimination between the options on offer, whereas in April 2011, rates were relatively flat between three of the four variations.

The simplest statement presented attracted 5 per cent fewer opt outs in 2012 than last year, but there was a sharp rise of 6 per cent for a more chatty version. For marketers, this is clear evidence that data collection and privacy notices should be tested and tracked every bit as much as creative and imagery.

Reasons to unsubscribe from online marketing



Marketers can affect the unsubscribe rate they experience in their email just as much as they can improve permission-to-market rates in the data collection process. To do so, they need to pay careful attention to targeting and rotation of data in particular, since these are the most likely to trigger an opt out. Nearly six out of ten consumers say that irrelevant or over-frequent communications are the reasons why they unsubscribe.

Lifecycle is also a factor and one marketers need to bear in mind - 58 per cent of consumers will unsubscribe once they no longer need a product or service. Marketers will typically want to retain data and continue to use it for messaging, yet this may in itself be the reason for the unsubscribes due to irrelevancy or excessive frequency.

A small majority of consumers believe that they did not give permission to be contacted in the first place. While this scale of data abuse seems unlikely, it probably reflects widespread data sharing and trading - individuals are not always aware that this has happened and can not be expected to track how their permissions have been used.

Non-marketing factors can also trigger unsubscribes, including poor service, unreliability or loss of integrity. But three out of ten consumers blame a lack of valuable information being provided - better marketing should mean fewer unsubscribes.

Trends in reasons to unsubscribe from online marketing

Sensitivity towards the use of personal information in online marketing has increased, with more consumers likely to opt out if the communications they receive are not valuable enough or are too frequent. Relevancy can also drive up unsubscribe rates, putting marketers on notice of the need to exploit data appropriately.

External factors like loss of integrity and unreliability have also become more important. These show consumers will exercise their rights if their trust in a business gets eroded in some way. However, they are less likely to do so now because of price changes and there has been an important lessening in the number opting-out because they believe they never gave permission, although this reason still remains too high.

4. Consumers manage the data exchange

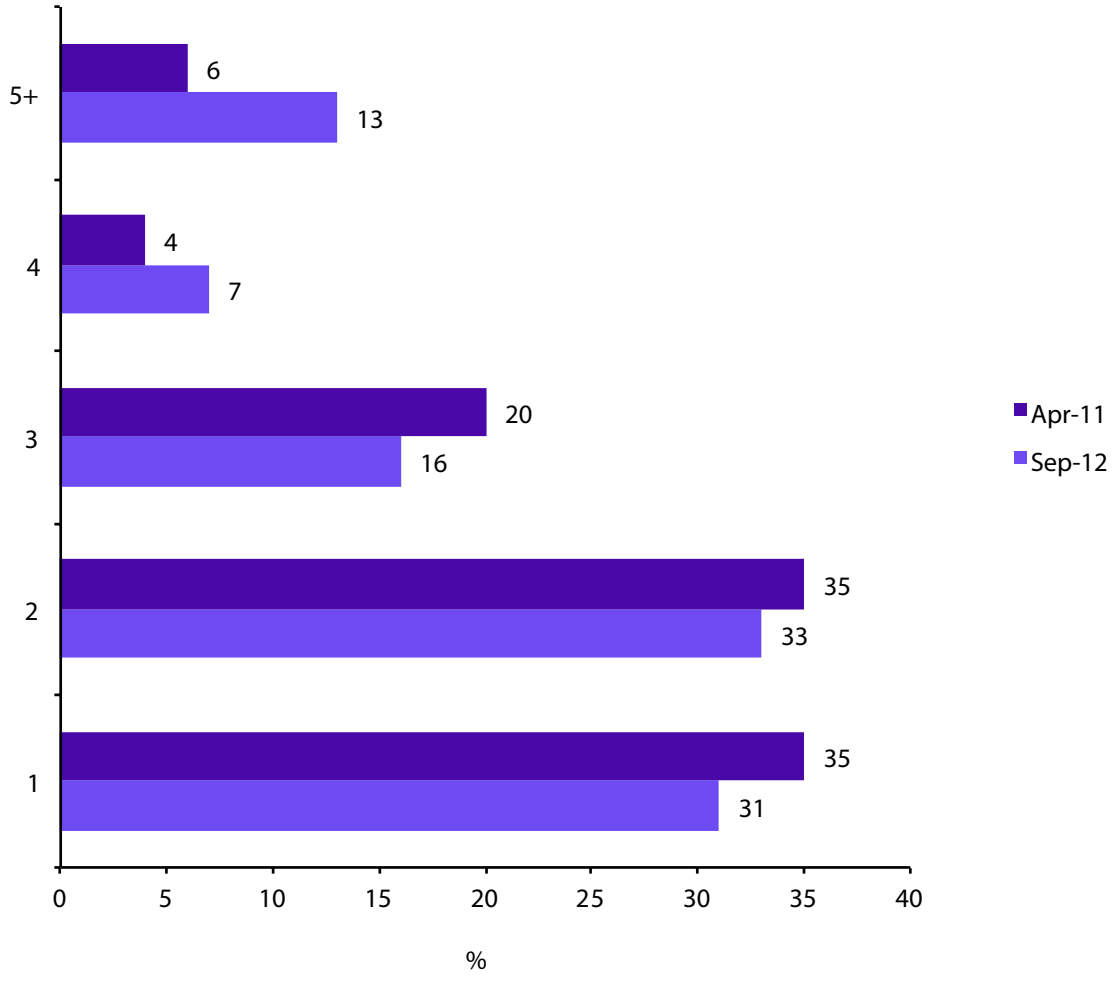
Consumers are increasingly using multiple email addresses as a way of filtering the communications they receive. Although they have become very willing to provide their email address to marketers, it may not necessarily be their main one or even get checked regularly. This proliferation of contact points is increasing and will present an important challenge to organisations.

Creating an online account should be a quick and safe way to exchange personal information in return for access and services. While trusted brands can manage relationships this way, there are still those who resist setting accounts up and may even prefer never to do that.

When confronted with a mandatory request for data, half of consumers do not provide false information, but four out of ten sometimes do. This emphasises the importance of both minimising the data which is collected and also of validating it when provided. Consumers have greater choice on line which four out of ten will exercise by terminating a session if they are asked for data they do not want to provide.

With the introduction of cookies notices, consumers have become better educated about the way they are tracked and their data collected. Seven out of ten now understand this process and have noticed what is happening, proving that the law is working. The number who claim not to consent is lower than those who do, suggesting the impact of the law has been far more positive than expected.

Trends in number of email addresses

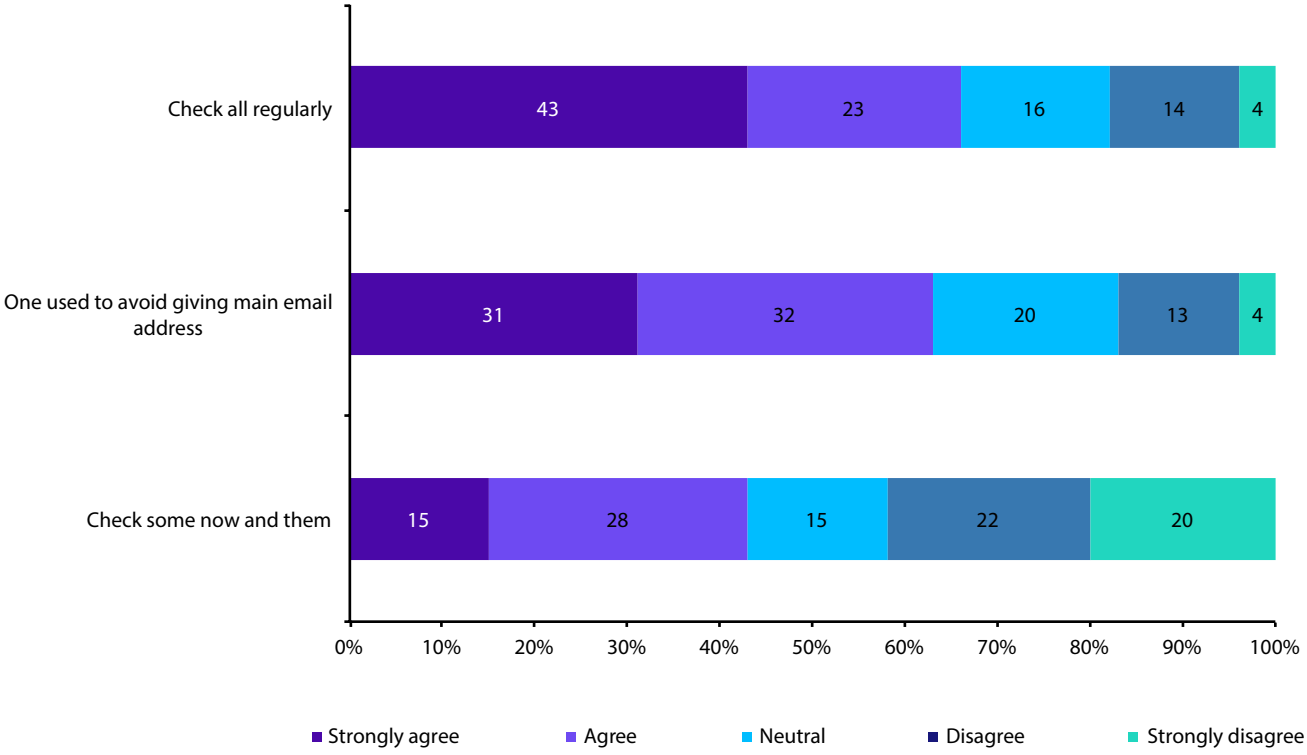


Consumers have become more willing to provide their email address than their postal address to organisations. But that does not necessarily mean that a business which captures this email address now has a primary point of contact with the individual. Instead, there is a continuing rise in the use of multiple digital addresses by consumers.

Around one third of consumers still only have one email and a similar number have two (almost certainly work and home). But overall, these direct contact points have fallen by 7 per cent since last year.

Multi-email holders have proliferated and not those with just a single, additional version - one in five consumers now have four or more, with the number running five or over doubling since April 2011. In part, this may reflect the introduction of email addresses as part of core services (such as Facebook creating its own emails and providing every user with one). It also reflects a greater streaming of communications into specific inboxes through the use of standalone addresses.

Usage of multiple email addresses

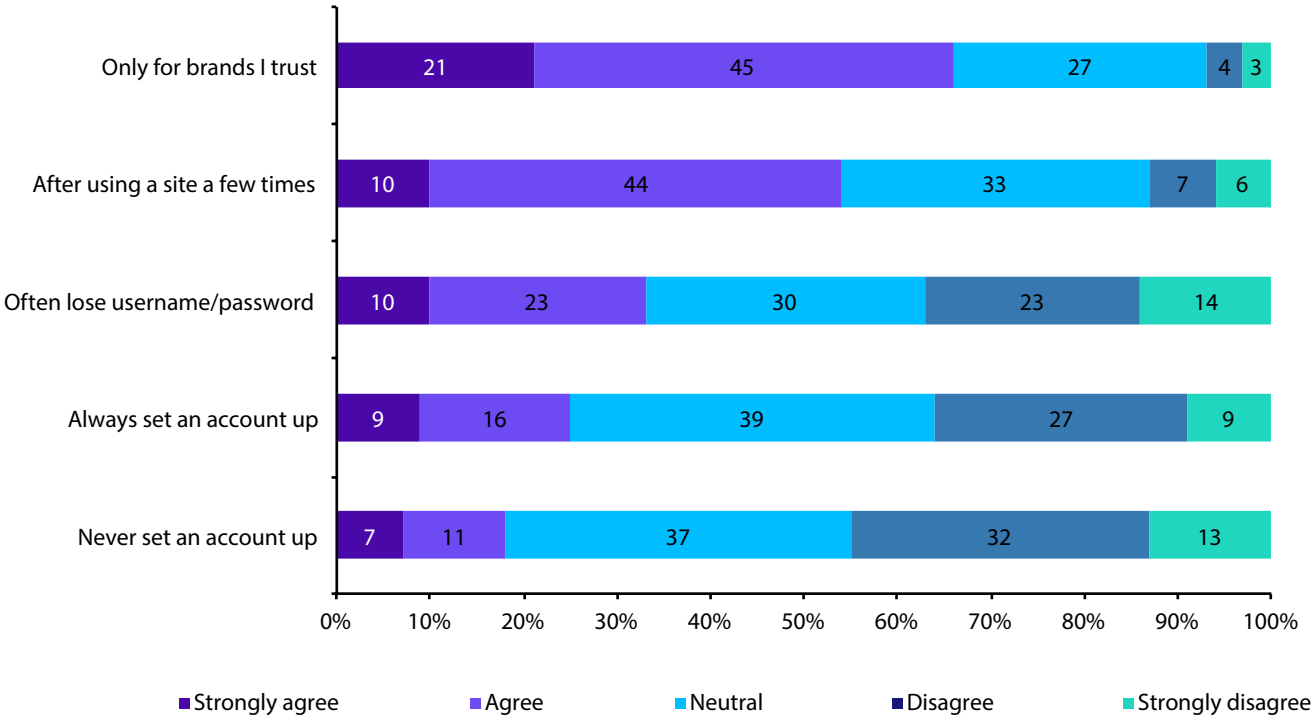


The adoption of multiple email addresses by many consumers is not an accident - it is a deliberate method used by two thirds to manage how they are contacted by different people and organisations. This is explicitly stated by 63 per cent of consumers as a reason why they have an alternative address.

Some reassurance for marketers relying on email communications can be found in the continued checking of every address by 66 per cent of consumers (with 42 per cent also disagreeing that they only check some of their addresses now and again.) This does mean email messages retain a strong likelihood to be read.

But it is clear that consumers do use alternative addresses to filter what they receive, with 42 per cent only checking some of their email addresses every now and then. Unless marketers can be certain that they are capturing the primary address which is regularly being checked, they should assume that messages sent through this channel will always be seen.

Creating of online accounts and passwords

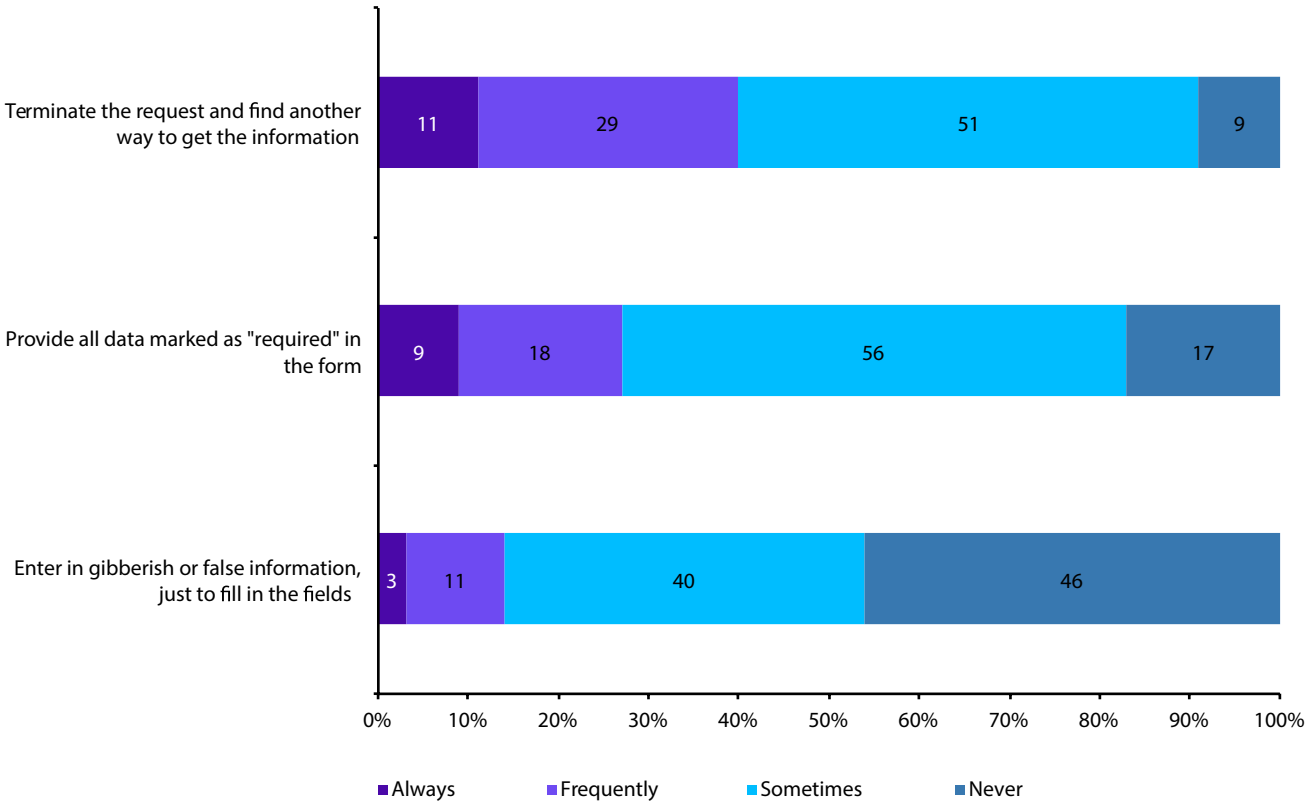


Creating an account with a website can remove the need to re-enter personal information each time that service is used. It may also improve data security since information is not being capture in the open, but can be held securely and only accessed when necessary.

Where trust exists between the consumer and an organization, this option will be taken by two thirds of customers. The majority (54 per cent) also say they will create accounts after using a site several times, no doubt once its utility to them has been proven. This behaviour is becoming more widely accepted with 45 per cent of consumers resisting the idea that they would never set an account up.

However, accounts are not yet habitual for over one third of consumers who deny that they always set one up. The convenience is also not recognized among one third who often lose their username or password.

The online information exchange



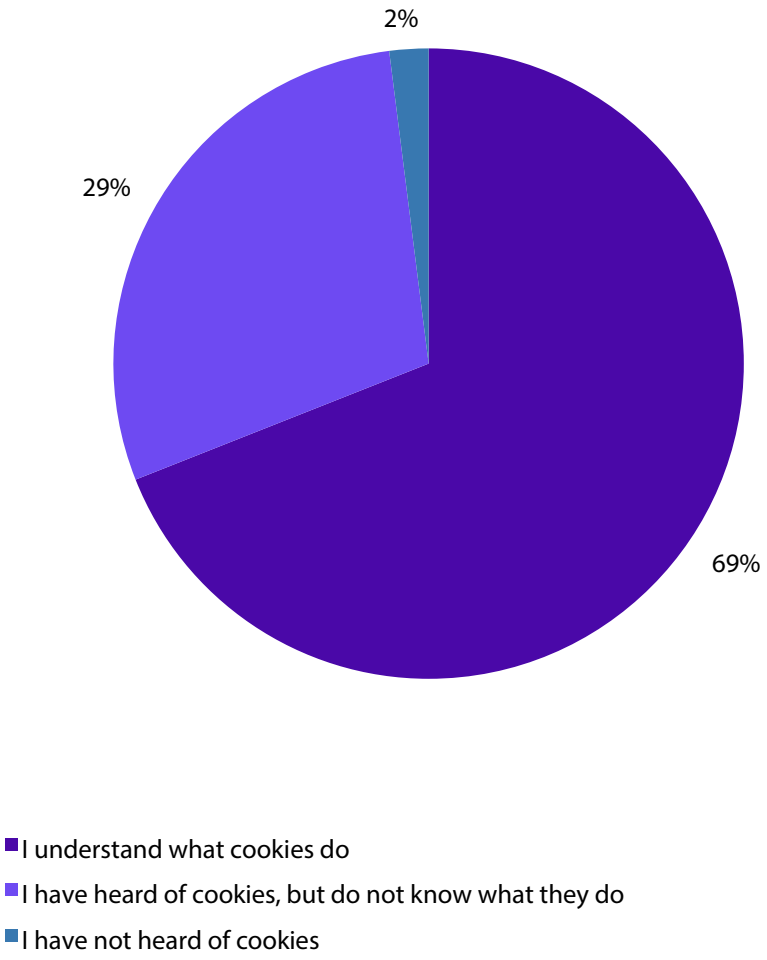
When consumers are asked for their personal information online, they have a range of choices - to proceed with the data exchange in order to gain access to the service, to fake information in the hope it will still get them in, or to look elsewhere for a site that does not require data in this way.

The good news for marketers is that nearly half (46 per cent) of consumers would not choose the option of faking it. But there is a substantial segment of four out of ten individuals who have sometimes given false information just to complete a form with mandatory fields. For 14 per cent, this is a regular behaviour. That should drive all website publishers to review what information they are requesting and also to ensure they validate data which has been entered.

Over half of consumers fall in between these behaviours and sometimes provide all of the information that is asked for. A further quarter will also do as requested. When auditing the customer journey, this point of data capture is likely to emerge as a critical junction at which business can be won or lost.

In the highly-competitive and transparent world of the Internet, it is not surprising that four out of ten consumers will simply end a session and look for an alternative. Just under one in ten have never done this, reflecting how sensitive consumers really are to the value exchange in return for their personal information.

Consumer understanding of cookies

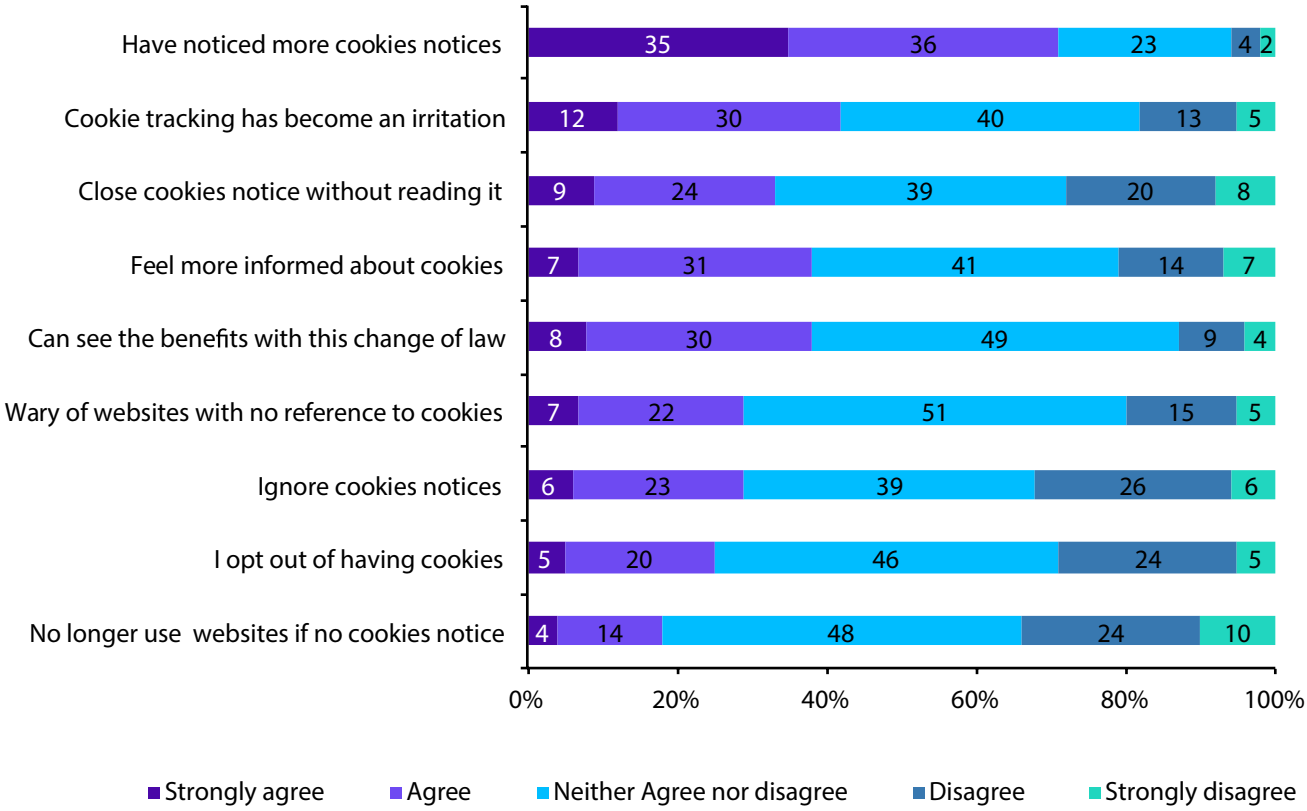


New legislation in 2011 required website publishers to notify visitors that a cookie would be dropped onto their device and gain consent for this to happen. When enforcement began during 2012, the introduction of cookie notices on websites was the single biggest exercise in consumer education around data protection issues since voters gained the right to opt out of marketing usage of their name and address in 2002.

It was to be expected, therefore, that seven out of ten consumers now understand what cookies do and only a very small minority do not. That three out of ten have heard of cookies but still do not know what they do probably reflects the fact either that compliance with the rules is still not universal or that some consumers simply click on these notices to get rid of them without reading what they say.

Either way, it is clear that online consumers are better informed now than they have ever been. This provides an important platform for digital marketers to develop their dialogue around further collection of personal information.

Consumer understanding of cookies notices



In theory, every website across the European Union should now be displaying a cookie notice explaining what is happening and gaining consent. With seven out of ten consumes having noticed that this is happening, awareness has clearly grown but there are still gaps to be filled.

The initial response from consumers seems to be more one of annoyance or disregard than anything else - 42 per cent say cookies are an irritation and one third close the notices without reading them.

But there is evidence that the legislation is having its intended effect, with 38 per cent of consumers feeling more informed and 37 per cent seeing the benefits of the change in the law. Alongside this, 29 per cent have become wary of sites that do not have clear cookies notices, yet there is an equal balance between those who say they do ignore notices and those who do not.

One of the biggest concerns among digital marketers was how many consumers would opt out of accepting cookies. Yet while one quarter of consumers claim they do opt out, 29 per cent say they do not. That suggests the forecasts of a collapse in e-commerce have not come true.

Methodology

- The sample was randomly selected from *fast*.MAP's Consumer Voice panel to gain a sample that's representative of the UK population
- The panel is closed i.e. members of the public cannot voluntarily join. Members are recruited via a number of sources to demographically represent the markets based on age and gender
- An online self completion questionnaire was sent out to *fast*.MAP's Consumer Voice panel
- 29 questions were asked in total
- The questions included those from previous years to enable tracking of results and new questions were added to reflect the current trends in consumer data
- The survey script was reviewed by members of the DMA Data council, DMA's research department and representatives from Equifax and fast.MAP
- The survey was broadcasted on 28 August 2012 and stayed open until 4 September 2012
- Total number of responses collected were 1,193
- The results were re-weighted by age and gender
- Statistical confidence level of +/- 2.45%
- Survey answer options were randomised to avoid top box bias
- Acceptable completion time for the survey was set and those surveys which were answered too quickly were removed
- Constant re-qualification of the panel was done to ensure that background variables are updated.

About the DMA

The Direct Marketing Association (DMA) is Europe's largest professional body representing the direct marketing industry. With a large in-house team of specialists offering everything from free legal advice and government lobbying on direct marketing issues to research papers and best practice, it is always at the forefront of developments in the industry.

The DMA protects the direct marketing industry and consumers. It promotes the highest standards through self-regulation and lobbies against over-regulation. The DM Code of Practice sits at the heart of everything we do – and all members are required to adhere to it. It sets out the industry's standards of ethical conduct and best practice.

Our 16 DMA Councils cover the whole marketing spectrum – from the digital world of social media and mobile marketing to the 'real' world channels of door drops and inserts. The Councils are made up of DMA members and regularly produce best practice and how to guides for our members.

We also have a packed calendar of conferences, workshops and discussions on the latest topics and best practice, and 80% of them are free for members and their staff.

As the industry moves on so do we, which is why we've recently launched a number of new services for our members – a VAT helpline, a Social Media Helpdesk and an IP Protection Service.

Visit www.dma.org.uk regularly to keep up to date with all our services.

About *fast*.MAP

fast.MAP is an insight partner that continuously connects clients in real-time with their customers.

As exclusive insight partner to the DMA, we run a number of tracking studies designed to give DMA members primary insight into key areas that support the Direct Marketing discipline.

The combined experience of our Directors spans many industries, disciplines and methodologies and the solutions we provide can be executed from within the business.

Industry expertise: Financial, Automotive, Travel/Transport, Charity, Marketing Communications, Media, IT/ Technology, Retail, Pharmaceutical, Travel/Transport, FMCG and more

Methodologies: Quantitative: online, telephone and face to face; Qualitative: in-depth interviews and online focus groups

Our aim is to help clients to:

Improve Marketing Effectiveness:

- Branding Studies
- Concept Testing
- Message/Copy Testing - ads (TV, Press), leaflets, direct mail

Understand Markets:

- Demand Estimation and Sizing/Audits
- Market Segmentation and Pricing
- Competitor Analysis

Understand Consumers:

- Attitude and Usage Research
- Customer Profiling
- Customer Loyalty and Satisfaction

For further information visit www.fastmap.com or call Paul Seabrook on 0207 242 0702 (paul.seabrook@fastmap.com)

fast.MAP
Effective Marketing Research

About Equifax

We're passionate about data. Driven to help you understand it. To get beneath the skin of it. And put you at the heart of it. We listen to the things you want to achieve and the decisions you need to make. And, through intelligent conversation, we find ways to help you reach your goals.

We lead the way in turning consumer and business data into marketing intelligence. We innovate to make managing your data easier and provide solutions that give you a competitive edge. We're as much about understanding your individual needs as we are about analysing facts, figures and profiles. Above all, we're about putting you at the heart of data intelligence.

Through our clear customer focus, we are a committed and trusted provider of Marketing, Credit Risk and Fraud Prevention solutions that empower business. Equifax is a global leader in turning information into intelligence.

Marketers and lenders alike work in partnership with us to gain a better understanding of their customers, and to target and acquire prospects more effectively. Our enriched data intelligence takes the guesswork out of delivering more profitable marketing activity.

Informed marketers. Enriched intelligence. Empowered campaigns.
Invite Equifax into the heart of your organisation.

Visit www.equifax.co.uk

EQUIFAX

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