



GDPR: A consumer perspective 2018



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Introduction

Technology has already fundamentally changed the way we interact, with seemingly every possible touchpoint with a brand creating its own opportunity to collect data. The General Data Protection Regulations (GDPR) comes into force in just a few short months and will change the way organisations collect, store and use customer data. At its heart, the new laws are about transparency and honesty with customers in how organisations collect and use data. This is essential to building and maintaining trust between businesses and consumers.

As such, it's interesting to see just how much consumers are willing to share with businesses for the promise of a more personalised experience. In fact, less than one in five consumers fell into the 'Resistant to marketing' group, who are naturally averse to marketing in general and don't like receiving any offers from brands – whether they're personalised or not. Ultimately, this means the remainder of the UK population is open to marketing in some way, with the majority (57%) actually preferring it to be personalised.

Most encouragingly, the research found that knowledge and understanding of the GDPR improves consumer confidence about sharing their personal information with companies. Making consumers aware of the new rules is even more important, which is why we're supporting the ICO's campaign to engage the public more directly about their rights. And through this engagement, help to build trust and confidence in how organisations look after and make use of it.

According to the '[Data privacy: what the consumer really thinks](#)' report published earlier this year, over half of consumers (51%) now understand that data is essential to the smooth running of the modern economy – up sharply from 38% in 2012. This highlights the increased understanding consumers have around data, although 88% said they also wanted organisations to be more transparent about how they use data.

At the DMA, we've been talking about the opportunity that GDPR presents businesses to put the consumer front and centre of a company's culture for some time. Actually telling customers about the new law is proving to be a more challenging task for many organisations though.

A slightly disgruntled sounding email or one that requires a law degree to understand is not good enough. There are already examples of beautifully crafted marketing communications that distils the GDPR approach perfectly into customer benefits. This latter approach can only build brand engagement and trust over time, so it's imperative that there is collaboration across organisations, from compliance departments to creative teams, to make GDPR communications to consumers truly effective.

I'd like to take a moment to thank Acxiom for partnering on this research too, without their input this important and encouraging insight would not be available.

This report shows there really is no need for businesses to fear GDPR, especially not marketers. In fact, it should be seen as an opportunity to instil the customer-centric mantra of many in our industry across the entire organisation. Combined with a transparent approach, this changes the relationship around data to an exchange of value between the business, looking to prosper, and your customer, looking to benefit.

Rachel Aldighieri
MD at the DMA



Foreword

Does Acxiom welcome the General Data Protection Regulations (GDPR)? Absolutely. No question. As well as increasing the importance everyone must place on data, it also updates our data legislation for today's omni-channel, data everywhere, data everything world. Above all, GDPR is about people and to serve people, we need to use the right data in the right ways, the ethical use of data.

This is why it made perfect sense to again partner with the DMA; who are always keen to further the interests of the data industry by promoting the use of data used to benefit the consumer. GDPR is not about clamping down on all data, it's not about stopping marketers. Yes, it should help to reduce bad practice and the bad actors that can affect any industry but more than anything, it should be about how data is used, in reasonable, legal and ethical ways to drive consumer value and the wellbeing of the economy.

By focusing on what the consumer thinks about GDPR, this research shows that consumers want the world to work around them, so long as we're transparent about how it works. This research shows that while it's natural for humans to fear what we don't know, and let's face it, data-driven marketing is a complex affair, they still want to be valued, they still want better experiences and they want to be treated fairly, with transparency and respect.

GDPR is new. We must all be compliant with the regulations by 25th May, 2018 but it will take time for everyone in the industry to become comfortable with it in practice. Meantime, as is the case all of the time, those who use data to put the customer first, will not only be those most likely to operate in line with GDPR, but also those who win the hearts and minds of the consumer.

Jed Mole
Vice-President, Marketing at Acxiom



Executive Summary

Most consumers see the benefits of personalised marketing | Consumers have varying preferences for personalisation of offers. Our analysis identifies five key types representing a scale of preferences from pro-personalisation to anti-marketing. The majority - 57% - are pro-personalisation in some form. 18% of the sample is actively resistant to receiving personalised offers or surprise offers.

A preference for personalised offers increases comfort with exchanging data for marketing purposes | People who fall into pro-personalisation consumer types tend to be more comfortable about sharing data with companies in exchange for marketing. For example, just 8% of "Personalisation fans" - the segment who are pro-personalisation - are very uncomfortable with a supermarket using data to send them relevant promotions. This suggests that in situations that consumers can see direct benefits for sharing data their propensity to share is strengthened.

Consumers want more relevant marketing | At least 34% in each of the marketing preferences segments would be comfortable with companies accessing their data to help stop them receiving recommendations for things that do not interest them - rising to majorities of 66% and 57% among the segments that are more open to receiving personalised offers in general (All the offers and Personalisation fans).

Consumers' level of comfort with sharing data with companies for marketing purposes depends on the type of data being shared | Personal details and traits are more comfortably shared by consumers vs. unique and digital information. 80% of consumers would be very or moderately comfortable with sharing data about their interests for marketing purposes vs. 46% with sharing online browsing data history details. This suggests more needs to be done to communicate and educate consumers about their digital data and how this is shared for marketing reasons.

Consumers are unclear of the value in exchanging their data for free digital services | We know that many people use free digital services as part of their daily lives. When asked explicitly about how willing they are to access them in exchange for their personal data they are not completely comfortable with the current exchange.

There is room to shift consumers from feeling reluctantly accepting about data-exchanges they make to feeling more empowered | By segmenting consumers based on their behaviour and attitude towards sharing data for access to email and social media, 57% of consumers can be classed as moderately willing - people who use these services but also only show moderate levels of comfort about sharing data to do so.

Consumers indicate that many of the new GDPR regulations will matter to them personally | A majority of 60% rank organisations having to name third parties they share data with explicitly as important to them. This suggests that GDPR will have a genuine personal impact on consumers and not just businesses.

Consumers indicate GDPR will improve their confidence in sharing data with companies | Importantly 62% of consumers have improved confidence about sharing data with companies after hearing the new GDPR regulations. This is true of both people who were previously aware of GDPR in general and those previously unaware.

Chapter 1 | The consumer mindset impacting GDPR: what do people want from marketing?

Adapting to the new General Data Protection Regulation (GDPR) coming into force in May 2018 is top of the agenda for all UK marketers. But how much of an impact will the regulation have on consumers? How closely aligned is the new regulation to what consumers want from marketing and to how they wish their personal data to be used by companies and brands?

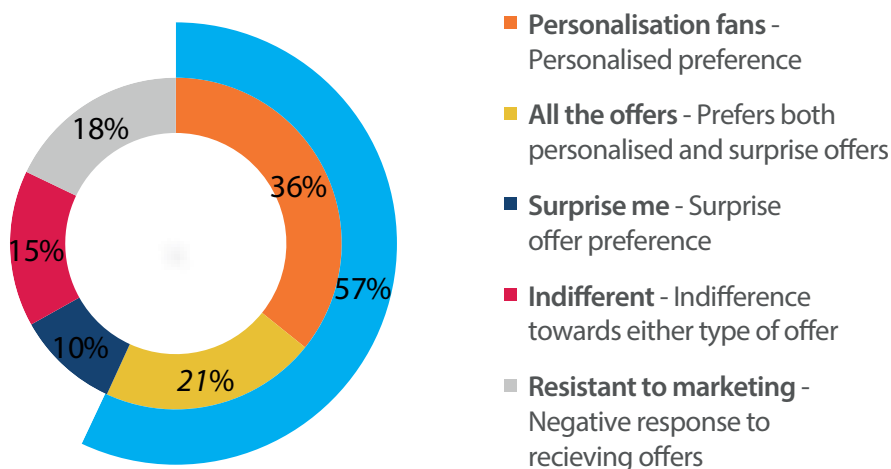
By undertaking new quantitative research into consumer attitudes and behaviours towards data sharing, personalisation of marketing and GDPR specifically we uncover new insights into the consumer experience of the current data landscape and implications for what GDPR will mean to consumers as well as marketers.

Do consumers like personalised marketing?

The GDPR governs the practice of targeted and personalised direct marketing. But what is the consumer perception of marketing tailored to them?

We asked consumers' general opinion towards how they prefer to receive offers for products and services. Do consumers prefer personalisation or random marketing? From these questions, the research identifies five key consumer types representing a range of preferences. The five groups are represented below.

Personalised marketing segmentation



Key Characteristics of each segment

PERSONALISATION FANS - 36% - This group favour personalisation of offers, and don't see the appeal of random offers. They form the largest group and are slightly more likely to be female, and of higher social grades. The segment contains an even spread across age groups.

ALL THE OFFERS - 21% - This group like personalised offers but also want random offers that they might not be aware of. They don't want to "miss out" on things outside of their filter bubble but at the same time like offers tailored to them. They are more likely to be 16-34.

SURPRISE ME! - 10% - This group would rather see random offers than have them personalised. We might say that they would rather be surprised or passively discover offers for products and services. This group is more likely to be female and 45+.

INDIFFERENT - 15% - This group are indifferent towards offers; they are neither positive nor negative towards either personalisation or random offers. This group is slightly more likely to be female, or over 65.

RESISTANT TO MARKETING - 18% - This group do not like receiving either personalised offers or random offers. They are resistant to marketing in general. They are more likely to be male, of higher social grade or over 65.

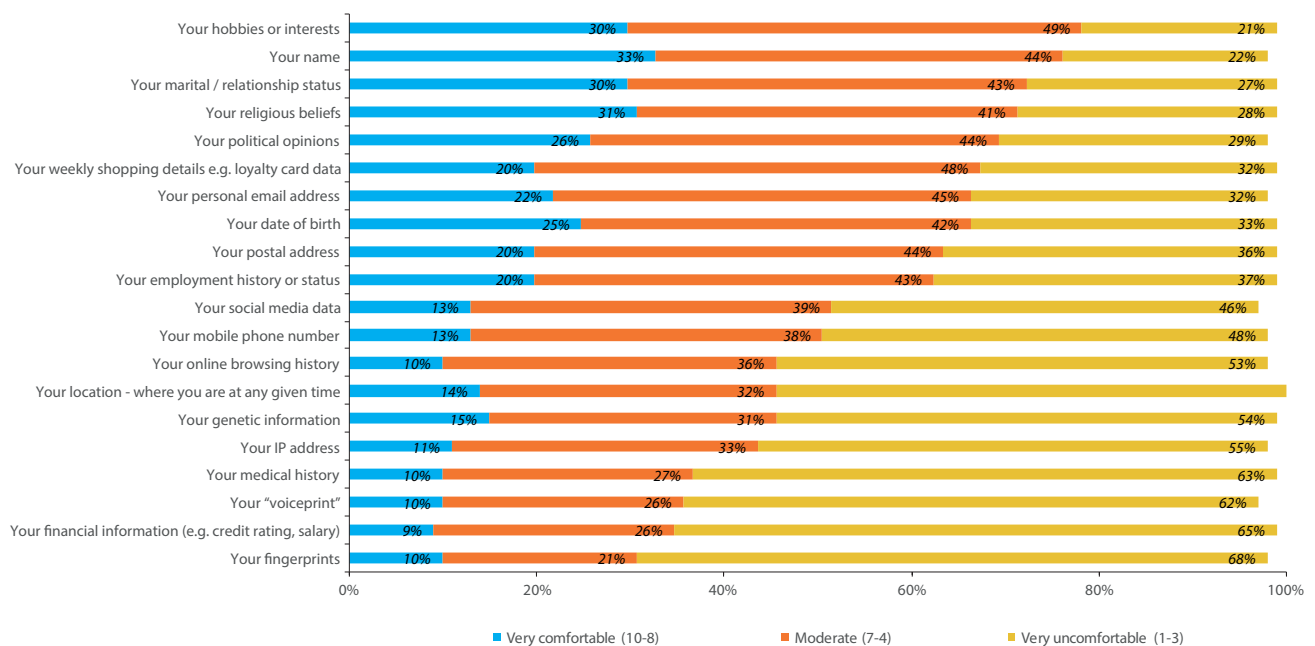
This segmentation reveals that a majority see the benefit of personalised marketing. 57% of consumers prefer to receive some form of personalised marketing - represented by 'Personalisation fans' and the 'All the offers' groups. We also note that it is a minority – although not an insignificant one – who are actively resistant to marketing.

So with many consumers in favour of receiving offers personalised to them, how comfortable do they feel about their data being used for such purposes?

Generally, comfort with sharing data does depend on the type of data being shared. A majority of consumers feel comfortable sharing data such as their interests, their name or general markers such as relationship status or date of birth with companies to improve the relevancy of marketing they see.

However, consumers are less comfortable with the idea of companies using data that could potentially be classed as more unique to individuals, such as browsing history, IP address or medical history.

“To what extent are you comfortable with companies or organisations you deal with having access to the following types of data related to you to improve the relevance of the marketing you see?” | % ranking 1-10 from very uncomfortable to very comfortable.



Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

This is largely a story about experience breeding comfort. Most will have experienced exchanging their name or date of birth with a company. Comprehending how a company may use one's browsing history is a little more complex. Without full understanding or an active informed experience of sharing digital data, consumers show more hesitancy over doing so.

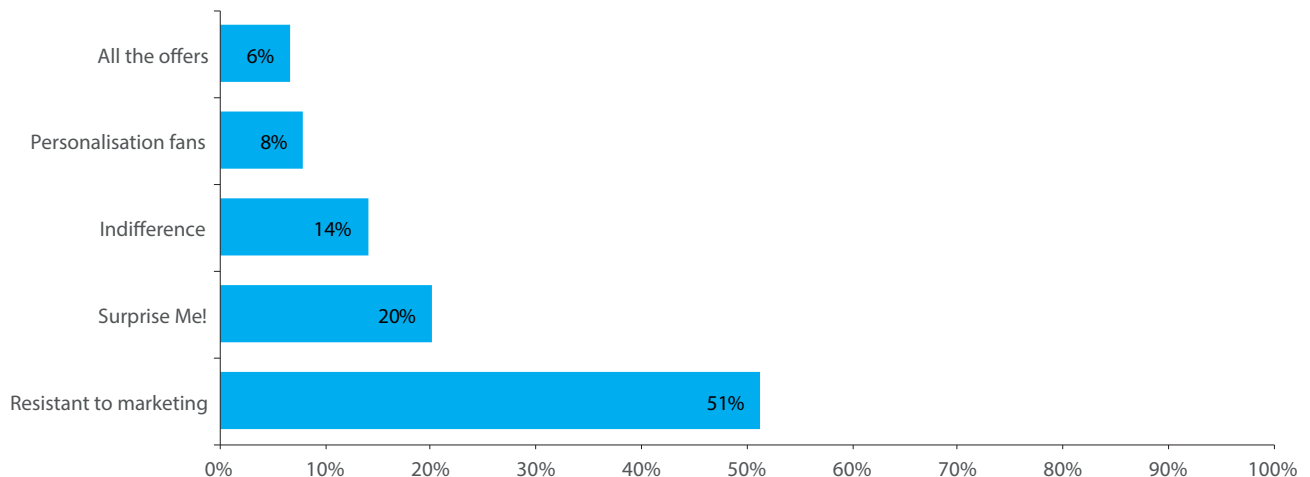
Preference for personalisation increases willingness to share data

We see a clear link between preferences for receiving personalised offers and comfort with data sharing for marketing purposes. The consumer types in our segmentation presented earlier that are most interested in receiving

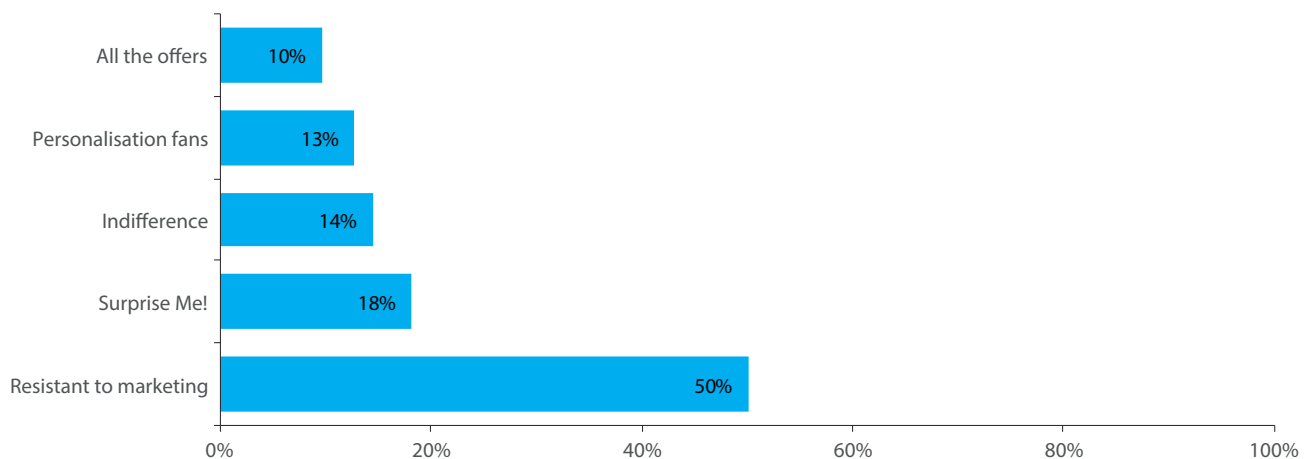
personalised offers (that ultimately rely on customer targeting or profiling) are more comfortable with their data being used for marketing purposes in various situations. Consistently and unsurprisingly the 'Resistant to marketing' types show the strongest level of discomfort with sharing data for marketing reasons.

For example, just 8% of 'Personalisation fans' and 6% of the 'All the offers' group are *very uncomfortable* with a supermarket using data to send them relevant promotions vs. 50% among 'Resistant to marketing' group. Just 13% of 'Personalisation fans' and 10% of the 'All the offers' group are not at all willing for personal data to be available to companies in exchange for relevant promotions.

"To receive exclusive promotions and discounts you would not receive otherwise" | To what extent are you comfortable with the use of your data by companies and organisations for following?" | % who are very uncomfortable" (ranking 1 out of 10 where 1 is very uncomfortable)



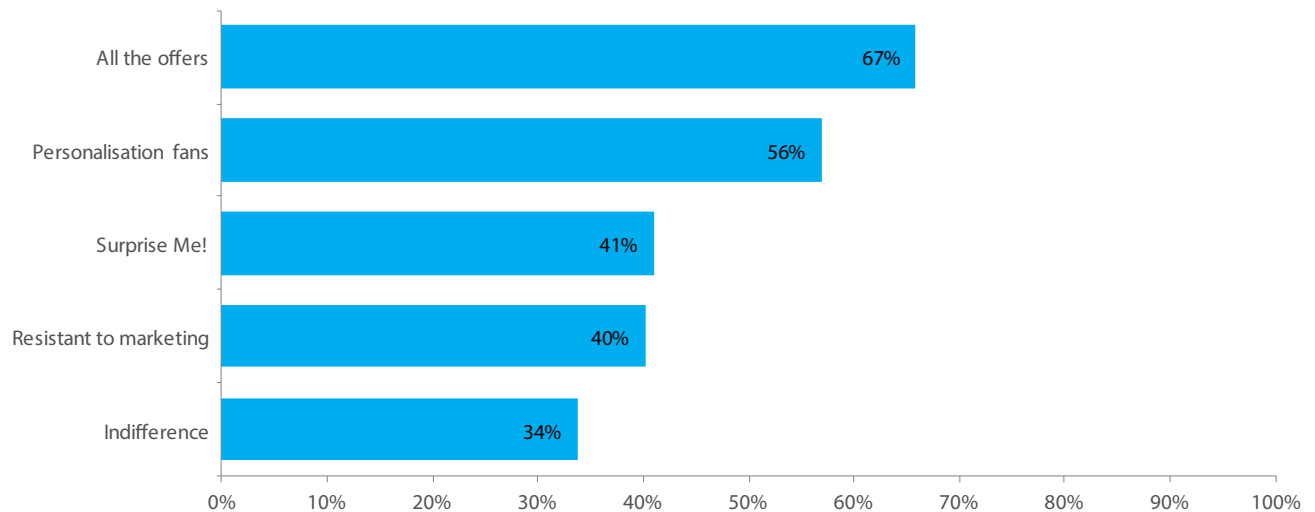
"A supermarket using your purchasing data to send you relevant promotions" | To what extent are you comfortable with the use of your data by companies and organisations for following?" | % who are very uncomfortable" (ranking 1 out of 10 where 1 is very uncomfortable)



Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

Interestingly we see strong consumer comfort with sharing data to stop receiving irrelevant promotions. Reducing irrelevancy is most appealing to those in the 'Personalisation fans' and 'All the offers' groups - 57% and 66% respectively are comfortable with companies accessing their data to stop them receiving recommendations for things that do not interest them. Even two-fifths of the 'Resistant to marketing' segment are comfortable with this. When positioned as something that can help consumers reduce the amount of irrelevant marketing they see, consumers across the board show more willingness to share personal data with companies.

“Companies using data to stop me receiving recommendations for products and services I am not interested in” | To what extent are you comfortable with the use of your data by companies and organisations for following? | % who are comfortable (7-10 out of 10 where 10 is very comfortable)



Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

Key takeaways

Consumers display a range of attitudes towards how they receive marketing. While there is a distinct group who show strong resistance to marketing it is this group who show the lowest level of comfort with sharing personal data with companies. At the same time, we see a majority favour personalisation of marketing in some form and that these groups show more willingness to share data with companies and brands.

The key for marketers will be to make clear the personalisation benefits consumers will receive when sharing their data to create stronger levels of comfort among those consumers who do value personalisation from brands and companies.

Chapter 2 | Current data exchange landscape: Consumers show contradictions

Consumers are contradictory when it comes to data sharing

The research reveals several examples of where consumers can easily exhibit conflicting views or display behaviours that contradict their opinions regarding sharing data with companies.

We know that many people use free digital services as part of their daily lives but when asked explicitly about how willing they are to do so in exchange for their personal data they are not completely comfortable with this - even when they use services that rely on such exchanges.

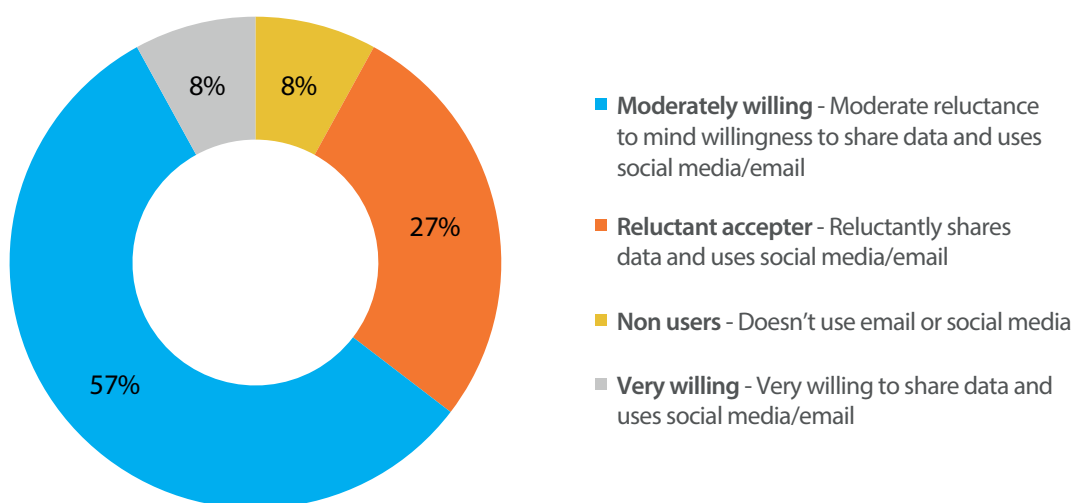
For example, one in five consumers who use free email services agree they are very unwilling for their personal data to be made available to companies in exchange for free access to such services. And one in four Facebook users agree they are very unwilling for their personal data to be made available to companies in exchange for free access to social media services.

At the same time when given a - albeit hypothetical - choice to pay to use digital services such as email, search engines and social networks in order not to share data just over a third of consumers (36%) who use such services would prefer to pay rather than access them in exchange for their data.

To examine these contradictions further we segmented consumers based on their use of email and social media and their comfort towards sharing data in exchange for access to these services for free.

This segmentation reveals four key groups. It is interesting to find that most people - 57% - fall into the moderately willing type – people who use free social media/email and state *moderate comfort* in sharing data for these services. A further 27% are defined as reluctant accepters – people who use free digital services but state they are *not comfortable* sharing data for such services (even though they do). Just 8% use these services and are *very comfortable* with sharing data in exchange and can be classed as completely willing.

Scale of acceptance of sharing data for digital services | segmentation



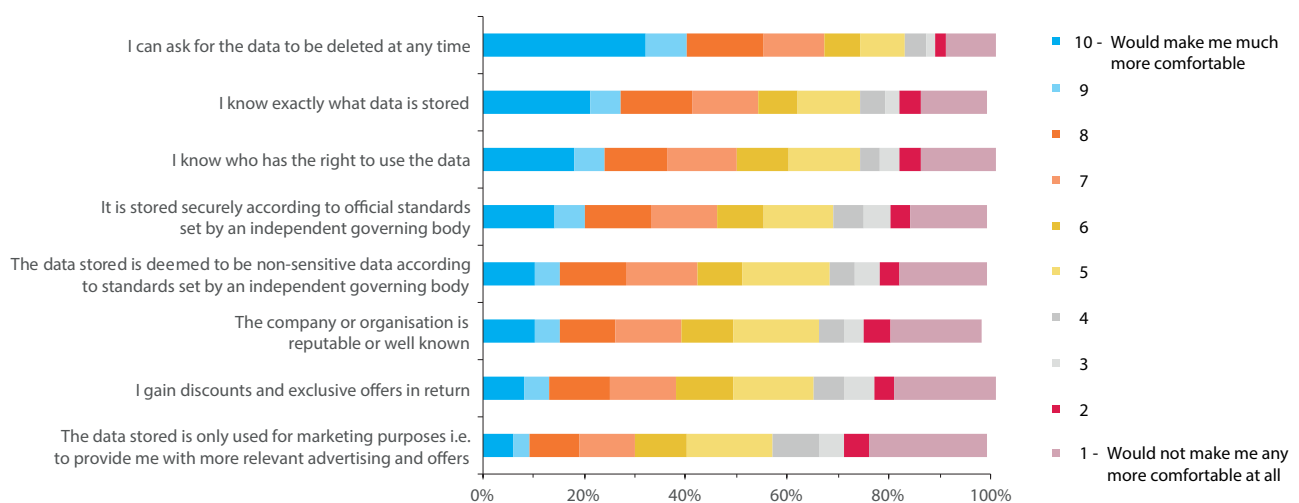
Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

It is apparent that the vast majority of consumers are sharing data and accept this reality. However while most consumers are entering into data exchanges and it unlikely that we will see a consumer backlash against them wholesale, their comfort levels are not always optimal. In other words, consumers clearly value getting access to free services, but are not entirely comfortable with how they exchange their data in order to receive these.

What makes consumers more comfortable regarding companies holding their data?

We asked what data practices would encourage consumers to feel more comfortable about companies holding their personal data. Clearly affording consumers' greater control, better understanding of how the data is stored, and how it is used are practices that could reassure consumers. In fact, the reassurance that their data is safe encourages higher levels of comfort than receiving rewards and discounts in exchange for their data. Above all, consumers want to know more and have better assurances that companies are following data practices that keep their data secure and give them ultimate control.

"To what extent would the following make you more comfortable with a company or organisation holding some of your personal data?" | % ranking 1-10



Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

Key takeaway

While consumers exchange their data with brands and companies through their use of digital services, attitudes suggest they do not fully accept, or fully understand, the exchange. Since consumers do not fully understand the value of such exchanges there is an opportunity for brands to make clearer the benefits and value of data exchange to consumers.

The importance of transparency and control to consumers is also clear. By demonstrating how and why data is collected, stored and shared and for what purpose – under the guidelines of GDPR – organisations will be able to better communicate data exchanges and make consumers feel more comfortable. With consumers stating their comfort with data sharing is most dependent on safe, secure data practice this suggests GDPR is a positive step forward for both consumers and businesses.

Chapter 3 | Future data exchange landscape: impact of GDPR

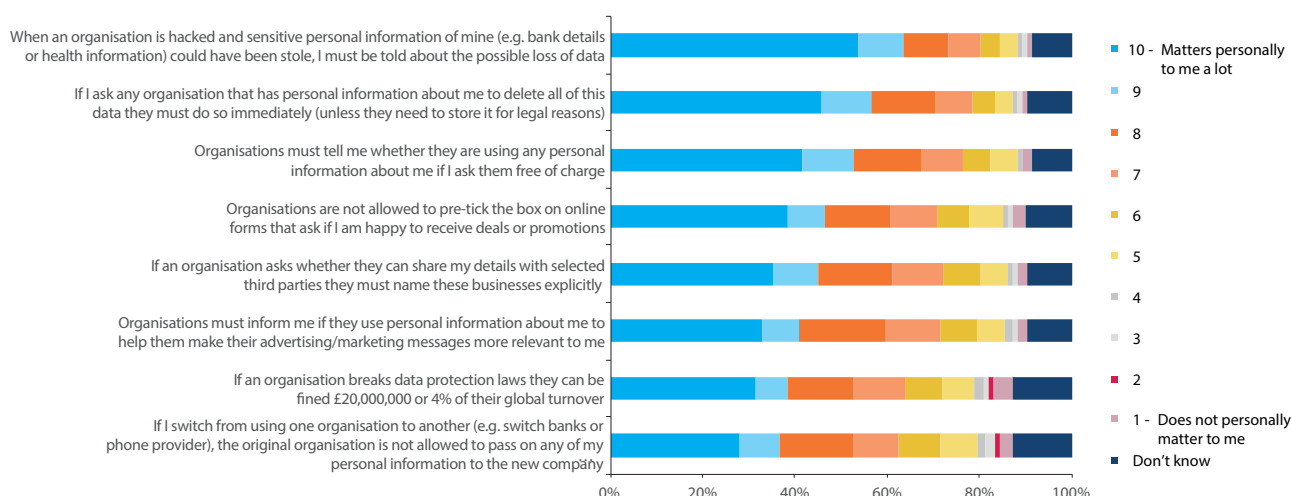
It is clear that consumers see an imbalance in the current data-exchange landscape and consumer comfort with data exchanges they make are not yet ideal for either side. Looking towards the future, GDPR is an important step towards a new era of data-exchange that addresses these consumer concerns and aims to improve consumer confidence in how personal data is used.

The results that follow give some early indication of how consumers may respond to the new regulations and how important they see these being.

Does GDPR matter to consumers?

In the survey, we presented consumers with a number of GDPR policies. We asked consumers whether these were policies they deemed personally important to them. Many indicate that GDPR policies do matter to them. Almost three quarters (74%) rank being told about possible losses of data by an organisation as mattering a lot (ranking 10-8) and 70% feel similarly about getting companies to delete data they hold on them at their request immediately. A majority of 60% also rank organisations having to name third parties they share data with explicitly as important to them.

“We are going to show you the TRUE new GDPR laws that are going to come into practice in 2018. For each of these new laws that are going to come into practice, please indicate how much this matters to you personally?” | % ranking 1-10

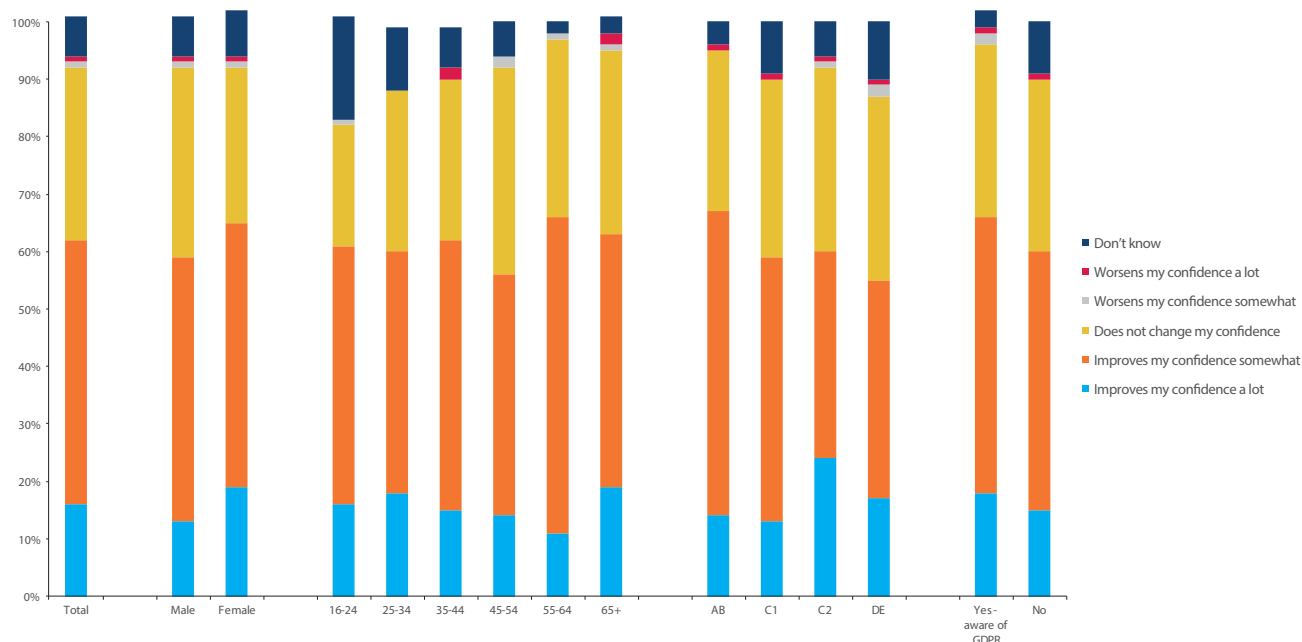


Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

We also asked respondents to our survey to tell us how learning about these new regulations impacted their confidence in sharing data with companies and organisations. Positively 62% indicate that it improved their confidence. This was true of those who were aware of GDPR before carrying out the survey and those who were not.

These findings suggest GDPR will have a genuine impact on consumers by responding to their underlying desires for control and transparency. Ensuring consumers are aware of how these regulations are being put into practice and making them more tangible to consumers will be crucial for organisations to ensure these perceived levels of improved confidence translate into a future reality.

“After hearing the new GDPR laws that will come into place in 2018, how does this impact your confidence in sharing your data with companies/organisations that you use or deal with?”



Source: DMA / Foresight Factory | Base: 1001 online and telephone respondents 16+, GB, 2017 October

Key takeaways

While many consumers may not yet be aware of the details of GDPR our research shows that when shown elements of the new regulations they largely see these as a positive step forward. The new regulations have the potential to shift consumer attitudes in a way that is favourable to the industry by providing consumers with the reassurances they need to feel optimally comfortable about the data sharing they undertake within their daily lives.



Key implications for marketers

- **Focus on making value of data-exchange clear and tangible to consumers**
 - Are there benefits from sharing data with companies that are “invisible” to consumers, and do these need to be made clearer?
 - Is there a way to communicate the benefit of sharing data to reduce irrelevancy that appeals to consumers?
 - Can data-exchange benefits be anchored against an alternative to make clear what gains consumers receive from exchanging their data?
- **Employ different communications strategies depending on differing consumer attitudes**
 - While consumers who already see the benefits of personalisation will likely respond well to communications that underline how data sharing informs the relevance of marketing they see, consumers who are more resistant to marketing will require more persuasive messaging or further incentives to shift attitudes.
- **Provide consumers with the information they need to shift their comfort levels from reluctant to willing**
 - Provide the information consumers need to make informed choices about their data-exchange.
 - Reassure and optimise consumer comfort by making data policies apparent.
- **GDPR is a step forward in the eyes of consumers but further communication to make them fully aware maybe needed**
 - From the consumer’s perspective, GDPR is a step towards recalibrating the balance of power between consumers and brands in the data economy and will afford them greater confidence in the exchanging of data.
 - For marketers, this points to a future where overall trust and transparency can be strengthened - as long as consumers are fully aware of the GDPR practices coming into action.



Methodology

In October 2017, Foresight Factory conducted, on behalf of the DMA, an online survey of 1,001 respondents exploring public attitudes towards data exchange and GDPR. Unless referenced, all data included in this report is taken from this survey.

For this research, Foresight Factory set nationally representative quotas on age and gender (interlocked) and region. This ensured the sample was representative of the UK population. Weighting was also applied to further ensure a nationally representative sample.

The survey was conducted online (800 interviews) and via telephone (200 interviews) with question wordings adjusted accordingly to suit either method.

The analysis of the data and the segmentation of findings was conducted in-house by Foresight Factory's quantitative analysis team.



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