

Data privacy: What the consumer really thinks

2018

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/ Introduction

This latest edition of our look into how consumers feel about privacy and their data was conducted against the backdrop of rapid innovation in technology as we enter the fourth industrial revolution and major modernisation of the legislative framework. The General Data Protection Regulation (GDPR) seeks to balance the customer's right to privacy with the legitimate interests of companies wanting to serve them better.

Therefore, it's interesting to see that before the new rules have even come into force we've seen overall privacy concerns decline since we last conducted this research in 2012. In fact, three-quarters of people are either unconcerned or pragmatic about the data they share with organisations, with the latter group wanting to be shown clear reward or value in exchange for their personal information. This also highlights the rising consumer awareness and understanding of the role that data exchange plays in modern societies, with half of consumers now saying this is essential for the smooth running of society.

Essentially, consumers increasingly understand the part data has to play, but want organisations to be accountable and transparent about what they're doing. 88% of consumers cite transparency as the key to trust. This strikes at one of the core principles of GDPR, accountability. This principle requires companies to consider the impact on privacy and the risks posed to their customers before doing anything with their data and strives to achieve a balance between privacy and innovation.

This report shows us that consumers are aligned in their call for us, as an industry, to be accountable for our decisions and transparent with customers. There is no need for marketers to fear GDPR, far from it. Use these new rules as a catalyst to become more customer-centric as an organisation, rather than thinking of it as merely a legal requirement.

We'd like to thank Acxiom for partnering with us on bringing this valuable insight to our community.

'Put the customer first' is the guiding principle of the DMA Code and for the many organisations who are DMA members. If your product or service creates real benefits for people by using their data then you should be happy to say so, openly and proudly. Consumers will reward you with their trust and their custom.

Chris Combemale,
CEO, DMA Group

/ Foreword

This report is about you and it's about me. Marketing may be about strategy, tactics, audiences, creative, campaigns, technology, even more data and the associated legislation, but marketing has and always will be about the customer, the likes of you and me. After all, without the customer, marketing is irrelevant, without the customer saying 'yes', no one gets paid.

At this time of fragmented technology, exponential data growth and in the form of GDPR, the biggest sea-change in data legislation in more than a generation, where better or more important to orientate ourselves than the customer and this report helps not only marketers but everyone in business, understand them and their own views around data and data privacy.

This report provides readers with both absolute results and, because it is the third time it has been run since 2012, it gives the added value of trends. Now we can see with greater confidence, where things are headed and in turn, plan with more confidence.

You will see a mix of interesting developments and areas that require our continued focus. It is indeed interesting to see the percentage of consumers willing to pay for previously free digital services such as email and social; the degree to which would of course depend on cumulative cost. It is interesting to see the extent to which consumers want to commercialise their own data; how many would go on to do so in already busy lives and for what reward, remain interesting questions. It also remains clear we need to continue in our efforts to demonstrate tangible value to our customers; greater transparency and education will help.

There is little surprise around how many people today are 'concerned' about data privacy and we view that as a positive because it shows consumers care. The vast majority of us are also concerned about the welfare of our children, but it does not mean we would all take the same approach in how we would bring them up; some having a strict and protective approach, the other extreme being more laissez-faire and free. This plays out in the fact that while it is good to see consumers taking data privacy seriously, not everyone feels the same way about it and though Acxiom would prefer to see more consumers being more pragmatic, sharing data in return for value, the trend is clear that in the UK, we'll see more real-life acceptance of data as part of the workings of our world and less fear.

Finally, the trends also show us that generational aspects are playing a stronger hand in overall attitudes with the numbers of people willing to use, share and leverage data to the advantage of all set to increase consistently as generations progress.

Acxiom is proud to partner with the DMA for the second time, on this the third iteration of the Foresight Factory's independent research and for the first time as part of a wider international programme. For almost fifty years, we've believed in ethical data use that delivers value to businesses, the economy but most of all, to the likes of you and me, everyday consumers.

Please read on, I am convinced you will find the report both hugely helpful and interesting especially as we enter the GDPR era.

Jed Mole,
European Marketing Director, Acxiom

/ Executive Summary

Overall privacy concerns decline, as happiness with the level of data shared rises

The steady but convincing shift in societal attitudes towards data exchange in the UK demonstrated in 2015 has continued to advance across UK society. The number of people in the UK who claim to be concerned about the issue of online privacy has fallen from 84% in 2012 to 75% in late 2017. Among 18-24 year-old consumers, concern with online privacy falls to just 58%, down from 75% in 2012. At the same time, almost two-thirds of consumers are now happy with the amount of personal information they share with organisations.

The Data Unconcerned are the fastest growing segment within UK society

The proportion of UK society who show little or no concern with the issue of digital privacy or data exchange has increased from 16% of the population in 2012 to 25%. At 50%, the Data Pragmatists remain the largest segment within the UK; consumers who are willing to part with personal information so long as there is a clear reward for doing so. The number of Data Fundamentalists, who show an unwillingness to share personal data under any circumstances, has fallen from 31% of the UK in 2012 to 25% in 2017.

Rising awareness and understanding of the role of data exchange in modern societies

The number of people in the UK who see the exchange of personal information as essential for the smooth running of modern society has grown notably. Just over half of UK consumers now hold this view compared to 38% in 2012.

Younger generations show more awareness and acceptance of data-exchange

A generational shift in attitudes towards data-exchange is underway. Younger consumers are more likely to adopt a pragmatic or unconcerned attitude towards data sharing and their concerns have decreased since 2012. Over 65s continue to show less confidence in sharing personal information in comparison to 18-24s and their high level of concern over data sharing has remained stable since 2012. Such evidence suggests that a more nuanced and tailored approach to engaging different generational groups within the UK data economy will be increasingly important.

The UK public show a growing entrepreneurial spirit over their exchange of data with industry

Consumers increasingly regard their personal data as an asset that they can use to their advantage in data exchanges with organisations. The proportion of consumers that hold such a consumer capital mindset has increased from 40% in 2012 to 56%. Among 18-24 year-olds, agreement rises to 61%.

Industry continues to be seen as disproportionately benefiting from the data economy

The vast majority of consumers (78%) believe that businesses benefit disproportionately from data exchange in the UK, while only 8% think that consumers benefit the most; a perceived asymmetry in data sharing that has remained more or less stable since 2015. Younger consumers continue to be more likely to believe that the consumer benefits most from data sharing; 1 in 5 18-24 year-olds now hold this view.

Control remains the core consumer aspiration

The desire among UK consumers for control over data collection and usage remains entrenched in 2017, with 86% agreement. However, when asked about specific areas of data exchange, consumers in the UK claim a consistent loss of control between 2015 and 2017. For example, the proportion of consumers who feel that they have a lack of control over preventing companies from collecting information about them has increased from 56% in 2015 to 65%. Consequently, there is a growing gap between the aspiration for control among consumers and the degree to which industry is responding to this demand.

Establishing trust is paramount to developing a sustainable data economy

By far the most important factor for consumers in deciding to share their personal data is whether they trust the relevant organisation. In fact, 54% of respondents ranked this option in their top three considerations for data exchange. Trust in an organisation or business remains the dominant prerequisite when engaging consumers within the data economy.

Transparency is entrenched as a consumer priority for data exchange

Transparency remains a key additional precondition for consumers to engage in information exchange with organisations. Between 85% and 88% of consumers state that transparency over data collection and sharing, the benefits on offer and the terms and conditions are important when sharing personal information with businesses.

Interest in ad blocking is an emerging challenge for industry

One third of consumers indicate they have used ad blocking technology, with another 41% claiming to be interested in doing so. Less than 1 in 5 show no interest in ad blocking. The use of such technology would enable consumers to put any unrest with the current value exchange model into more direct action. This reinforces the importance of ensuring that the benefits derived from data sharing are communicated and resonate with consumers.

Growing interest in a range of incentives, beyond simple monetary reward

UK consumers demonstrate growing interest in a range of incentives for data sharing, particularly personalisation, recommendations and access to exclusive events/content. For example, the number of people who claim they would be more likely to exchange their personal information in return for personalised products or services has risen from 26% in 2015 to 34%. In addition, the number of people who would be more likely to exchange data in return for personalised brand recommendations has increased from 20% in 2015 to 31%.

Consumers continue to assume most responsibility for their own data security

Almost half (48%) of consumers in the UK believe they should have ultimate responsibility for their data security, up marginally from 2012. In comparison, 10% believe that the government should have ultimate responsibility and just 7% claim that brands/industry should.

There is only minority support in the UK for cross business and government data sharing

For both future security concerns and enhanced service offers, the pooling and sharing of different data sets and expertise will become increasingly important across industry and government. 41% of consumers are happy for government departments to share personal information in order to enhance the efficiency of public services. At the same time, just 29% are happy for businesses to share information with other businesses to provide a more tailored service. As greater collaboration across industry and government becomes more crucial to the future success of the data economy, more will need to be done to communicate the importance of such cooperation to the UK public.

/ Part 1: The Changing Consumer Landscape

The findings demonstrate that the steady but convincing shift in societal attitudes towards data exchange in the UK demonstrated in 2015 has been sustained. Overall, the trend towards growing public awareness and acceptance of the sharing of personal information in the modern digital economy has continued to advance across UK society.

The rise of the Unconcerned

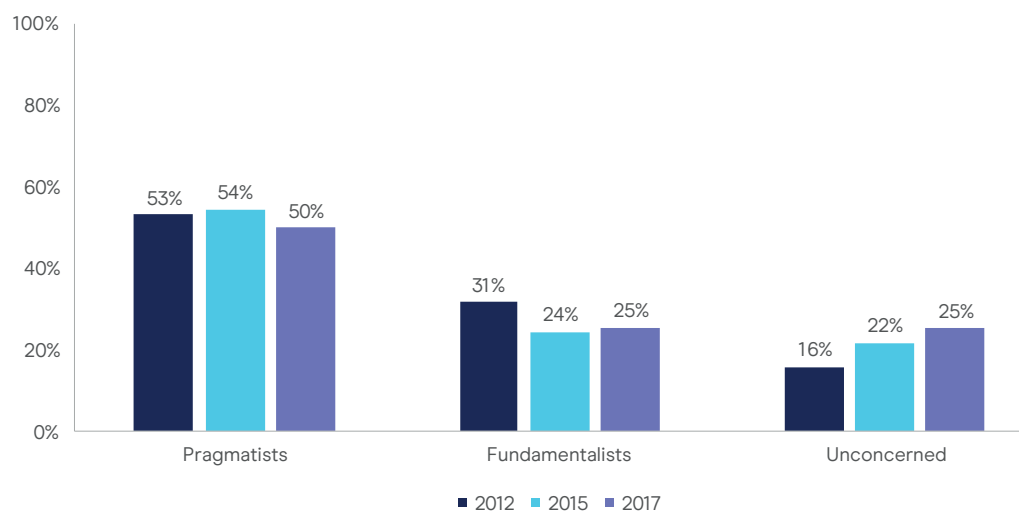
In 2012 and 2015, the DMA/Foresight Factory constructed a segmentation analysis that categorised consumers according to their attitudes toward privacy and data exchange. The key segments adopted were:

- Data Pragmatists: those who will make trade-offs on a case-by-case basis as to whether the service or enhancement of service offered is worth the information requested
- Data Fundamentalists: those who are unwilling to provide personal information even in return for service enhancement
- Data Unconcerned: those who are unconcerned about the collection and use of personal information about them

For the purposes of this work, we have recreated the above segmentation and found that:

- 50% of the population are Data Pragmatists, down from 53% in 2012
- 25% are Data Fundamentalists, down from 31% in 2012
- 25% are Data Unconcerned, up from 16% in 2012

A segmentation of attitudes towards privacy in the UK (2012-2017)



Since 2012, the most notable change across UK society has been the rise in the number of people who show little or no concern with the collection and use of their personal information. It is now a quarter of UK society who fall within the Unconcerned segment.

At the same time, the number of people who are Data Fundamentalists has remained static since 2015 but has fallen notably since 2012.

Interestingly, the proportion of people who are Data Pragmatists has remained broadly static at around half of the population; although there has been a small decrease since 2015.

With a maturing data economy and a more data literate public, it is somewhat surprising that we have not seen a notable increase in the number of people who are seeking clear personal benefits in exchange for their personal information. This could be an indication of the potential challenges that the data industry is facing with regard to demonstrating or communicating the value exchange to consumers within the current data economy. This theme will be explored further in Part 2.

Indeed, the primary trend towards more people showing little concern around data exchange in the UK presents both opportunities and challenging for the data industry in the UK. On the one hand, the growth of the Unconcerned group is supported by the wider findings of this report; as people become more aware of the use and benefits of the sharing of personal information within modern economies, it should be expected that overall concern with the notion of data exchange will diminish.

However, it is also possible that some of the growth of the Unconcerned is being driven by apathy; people who accept the role of data exchange within modern society, but who are not enthusiastically engaged with the data economy.

Promoting eager engagement, rather than reluctant acceptance, will be a core challenge for both industry and government in the years ahead.

Despite such caveats, the vast majority (75%) of the UK public today show no fundamental or ideological objection to the sharing of their personal data. Instead, most are willing to engage with the data economy so long as there is a clear benefit for doing so.

Overall, such findings suggest fertile ground for a healthy, sustainable and mutually beneficial data eco-system in the UK.

The Pragmatists

The Pragmatists are the largest consumer segment in the UK and comprise 50% of the population, but it has seen a slight decrease of 4% since 2015. This is mainly due to the proportion of Millennials (aged 18-34) in this category declining since 2012. The number of Generation X consumers (aged 35-54) that fall within the Pragmatist segment has actually increased over the past five years. This may be explained by the fact that consumers in this demographic are accustomed to technology, but did not grow up as 'digital natives' like Millennials, so they are likely to be slightly more discerning about data privacy issues and more demanding of incentives in return for personal information.

The Fundamentalists

The Fundamentalist consumer segment saw a decline of 7% from 2012 to 2015, but has remained relatively stable since then. The most significant decrease was seen among Generation X consumers in that same period, falling from 35% in 2012 to 23% in 2015. Baby-Boomers (aged 55-72) comprise the largest proportion within this segment, which is likely due to older demographics conventionally displaying higher levels of concern and discomfort around data sharing with organisations.

The Unconcerned

The Unconcerned consumer segment has been growing steadily since 2012, with the proportion of Millennials showing a sharp increase to 38% - up from 27% in 2015. One of the likely reasons behind the increase in the number of Unconcerned Millennials is that these younger consumers have grown up as digital natives and are comfortable with accepting the status quo of data exchange and are less concerned about online privacy issues.

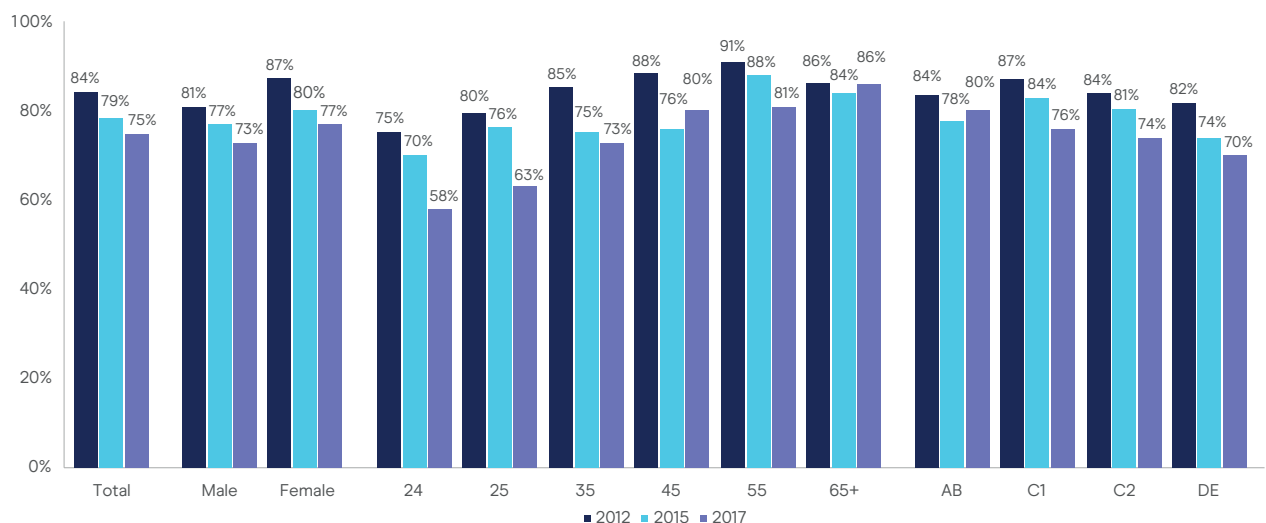
Concerns over privacy in continued decline

The trend towards declining concern over the issue of online privacy, first observed in 2015, has continued to gain momentum. The number of people in the UK who claim to be concerned about online privacy has fallen from 84% in 2012 to 75% in our latest research.

While a decrease in overall concern is apparent across almost all age groups, this is particularly notable among younger consumers. For example, the number of 18-24 years-olds who are concerned about online privacy has fallen from 75% in 2012 to just 58% in our latest research.

Online privacy is clearly still a concern for the majority of people in the UK. However, the sustained trend we are observing is towards a future where digital privacy is less of an issue. Indeed, such findings are supportive of the observed growth of the Unconcerned segment in the UK.

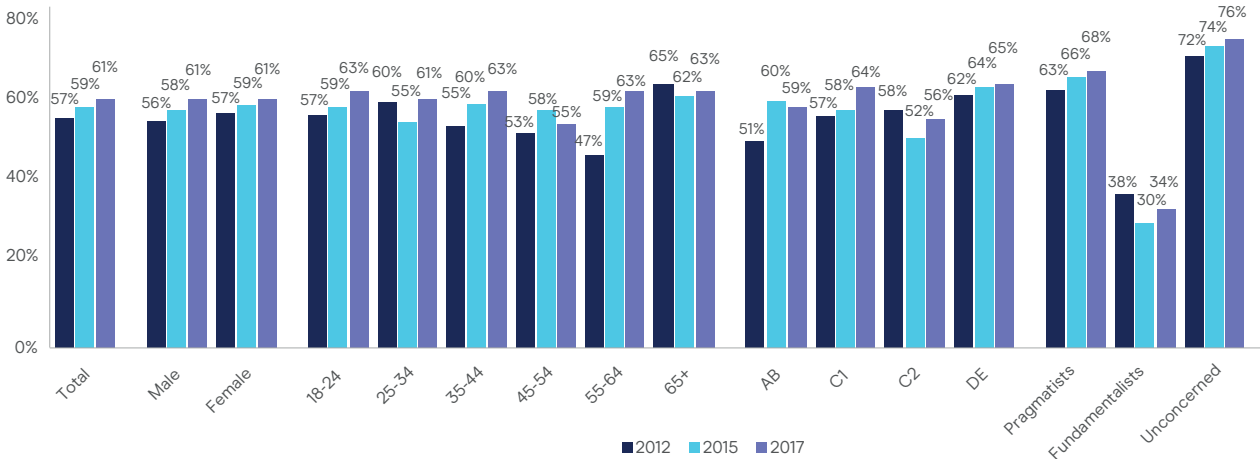
“On a scale from 1 to 10 where 1 is ‘not at all concerned’ and 10 is ‘very concerned’, how do you rate your levels of concern about the issue of online privacy these days?”
% who answer 7-10



Alongside declining levels of concern about data privacy, there is also a steady increase in the number of UK consumers who are happy with amount of information they share with brands and organisations. The number of people who claim to be happy with the amount of information they share has risen to 61%, up from 57% in 2012.

This is not a trend being driven by younger consumers alone. In fact, we find the highest shift in opinion among the 55-64 age group; 63% are happy with the amount of information they share in 2017 compared to 47% in 2012.

“On the whole I am happy with the amount of personal information I give to organisations these days”
 % who strongly agree or agree

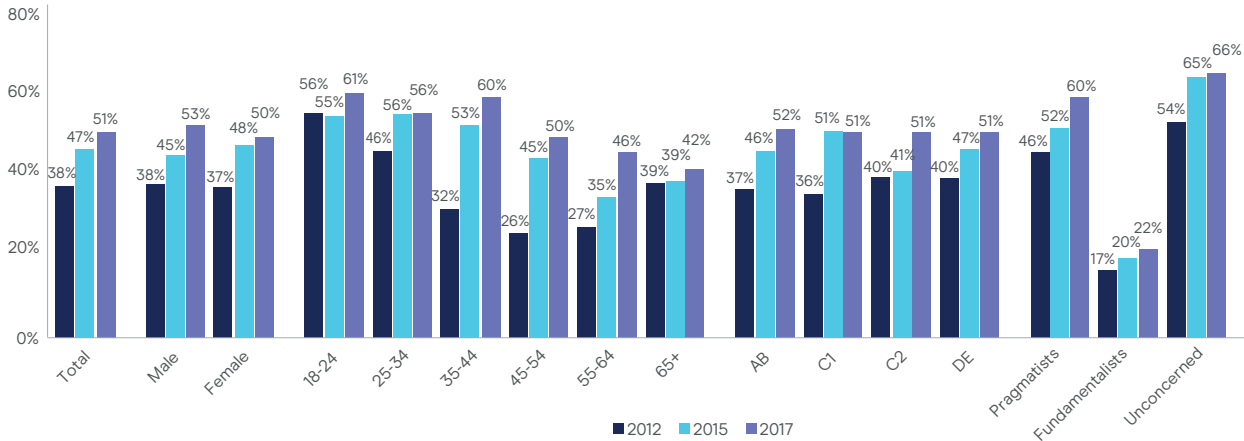


Rising public awareness and acceptance of data exchange

We find continued growth in the awareness and understanding of the UK public towards the role of data exchange in modern societies. It is now just over half (51%) of people in the UK who believe the exchange of personal information is essential for the smooth running of modern societies, up from just 38% in 2012.

Moreover, at 61%, it is now a strong majority of 18-24 year-olds who view data exchange as vital to modern society.

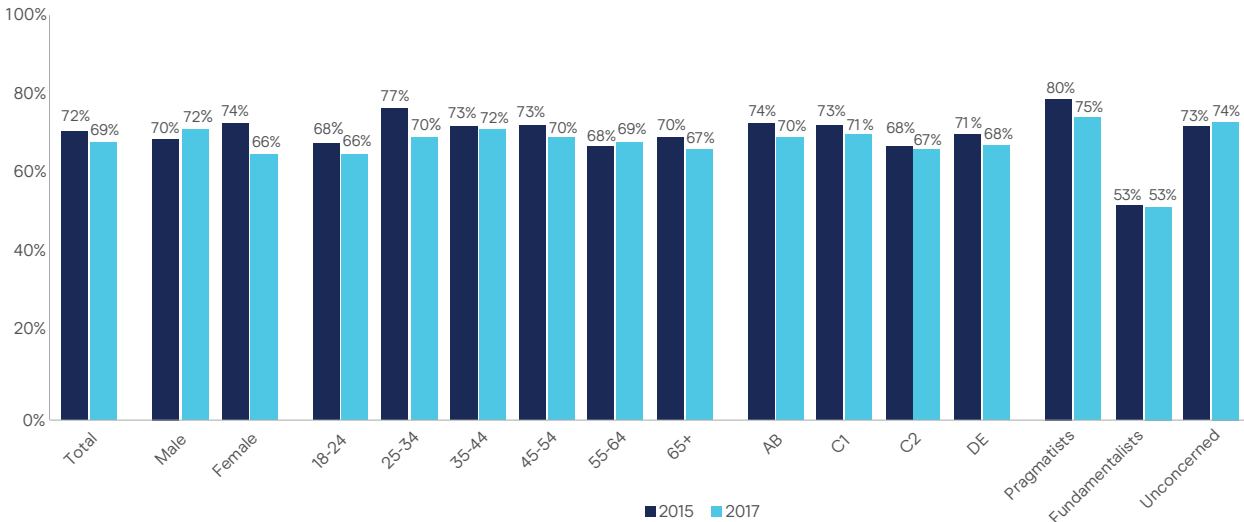
“The exchange of personal information is essential for the smooth running of modern society”
 % who strongly agree or agree



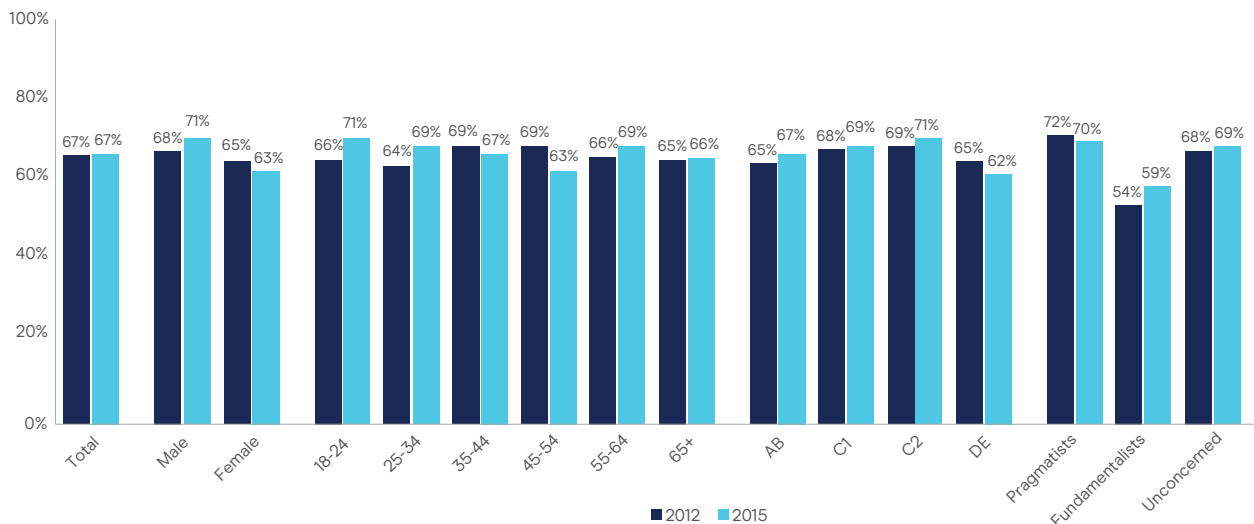
At the same time, we find a significant majority of UK society continue to view the sharing of personal data as part of the modern economy. A total of 69% hold this view in 2017, although this has fallen slightly from 72% in 2015.

While a majority still agree with this sentiment, it is noteworthy that we have not seen a growing awareness of the role of data exchange with regard to the economy as we have with the role of data more broadly in society. Such findings suggest that the wider industry, government and academic discourse around the role of data exchange to future economic success has not fully filtered down into public consciousness.

“Sharing data and personal information online is part of the modern economy”
 % who strongly agree or agree

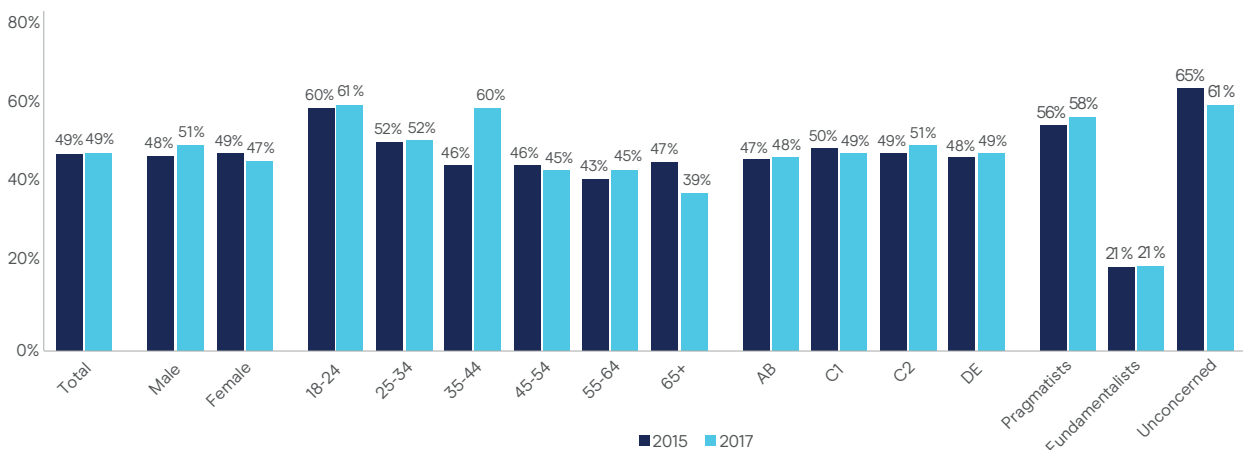


“I feel more aware of how my data is used and collected than in the past”
% who strongly agree or agree



The number of people in the UK who claim to feel more comfortable with the idea of data exchange than in the past has remained static at just under half (49%). Again this figure rises considerably among 18-24 year-olds, reaching 61%.

“I feel more comfortable with the idea of exchanging some personal data with companies than I did previously”
% who strongly agree or agree



The growing societal acceptance and awareness of the use and role of data in modern societies has continued to gather pace. Overall concerns toward online privacy have fallen, while we note growing appreciation for the role of data sharing within modern societies.

Yet, the lack of growth in the level of comfort consumers have with exchanging personal data with industry – still under half of the UK public – is a further indicator that becoming more aware and accepting of the data economy does not necessarily lead to proactive and positive engagement.

The steps that can be taken to promote a data culture and economy that fosters more positive engagement from consumers, over reluctant acceptance, will be explored below.

/ Part 2: Promoting a healthy data economy in the UK

In order to promote a healthy data economy in the UK, it will be crucial to ensure that potential benefits derived from data exchanges are communicated clearly to consumers. Our research findings show that the vast majority of consumers believe that sharing personal data still benefits companies disproportionately. Moreover, we are seeing that a significant proportion of people claim that they would be willing to pay for online services that are traditionally free of charge, such as email and social networking sites.

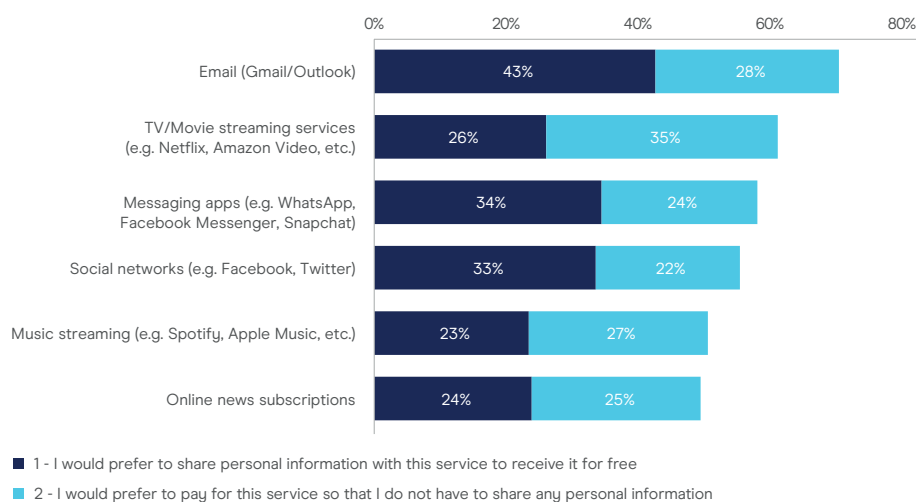
Evidently, the current state of the data economy requires some adjustment to facilitate a sustainable model that is fit for purpose in the years ahead. Beyond clarifying the benefits received from data exchanges to all parties involved, we have also found that consumers want control over data sharing processes and place high emphasis on trust and transparency vis-à-vis businesses.

Overall, the findings presented here provide an optimistic outlook for the future data economy in the UK. Not only do the majority of UK consumers employ a pragmatist approach to data sharing, our analysis also shows a relatively faster growth in consumer interest for more specialised, service led incentives in data exchanges beyond mere direct monetary rewards. This expands the arsenal of incentives available to brands to entice consumers into mutually- beneficial data exchanges.

Challenges for the current data economy

The importance of clearly communicating the benefits of data exchange to consumers becomes evident when we look at the proportion of respondents who indicate that they would prefer to pay for certain online services rather than share their personal information for a service that is free of charge.

“For each of the following services, please state whether you would prefer to pay for the service or share personal information in exchange for free access to the service.”



As demonstrated in the chart above, a sizeable proportion of consumers indicate that they would prefer to pay for online services so that they do not have to share any personal data. The highest preference for paid services is expressed in TV and movie streaming platforms, music streaming websites and online news sites. This may be attributed to the fact that these categories already provide (optional) paid subscription models to their users and that consumer responses are in effect tied to the status quo.

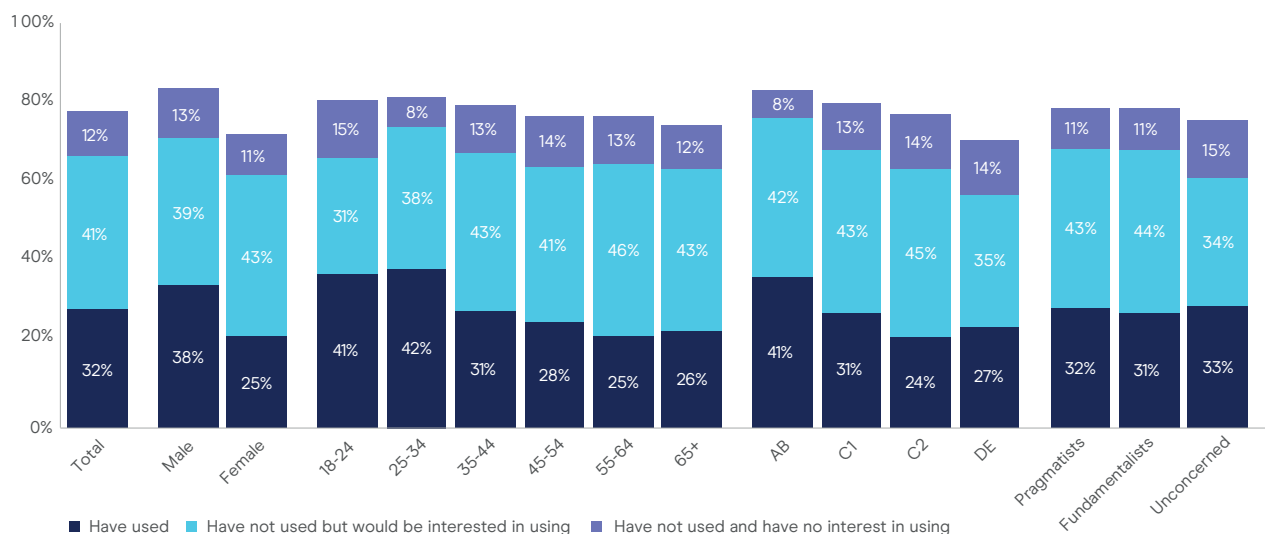
Indeed, online services which are normally free such as e-mail, messaging apps and social networks receive relatively lower preference for paying over sharing personal information. However, given that a noticeable segment of respondents state that they would be willing to pay for these services rather than exchange personal information, suggests that the current value exchange needs to be better communicated to consumers in the UK.

This said, the hypothetical nature of this question does not address the issue of how much consumers would be willing to pay to not share their data. If consumers have to assess the real cost of paying for numerous services this will likely impact their willingness to pay for access to things that they could get for free.

Significant level of interest in ad blocking

The possibility of a breakdown in the notion of value that consumers perceive to receive from data exchanging becomes more significant with the rising interest in ad blocking technology. In 2017, a third of respondents had already used ad blocking technology, while a further 41% would be interested in doing so. Only 12% showed no interest in using ad blocking in the future.

“Have you or would you be interested in using ad blocking software (e.g. a programme/software that removes advertising you would normally see when browsing online)?”

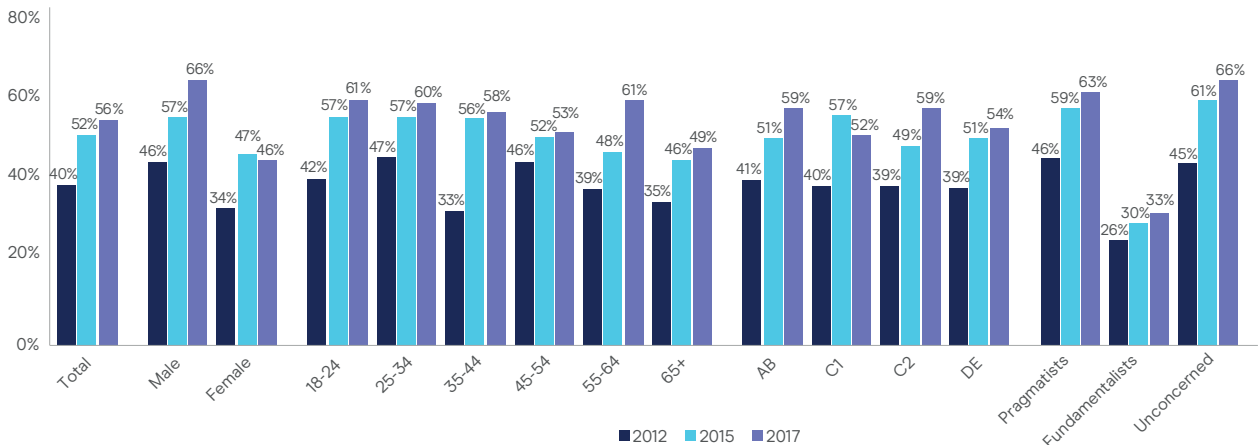


The use of such technology would enable consumers to put any unrest with the current value exchange model into more direct action, essentially opting out of the model altogether. How the value exchange between consumers and industry can be maintained and reinforced is explored below.

Engaging the Consumer Capitalist

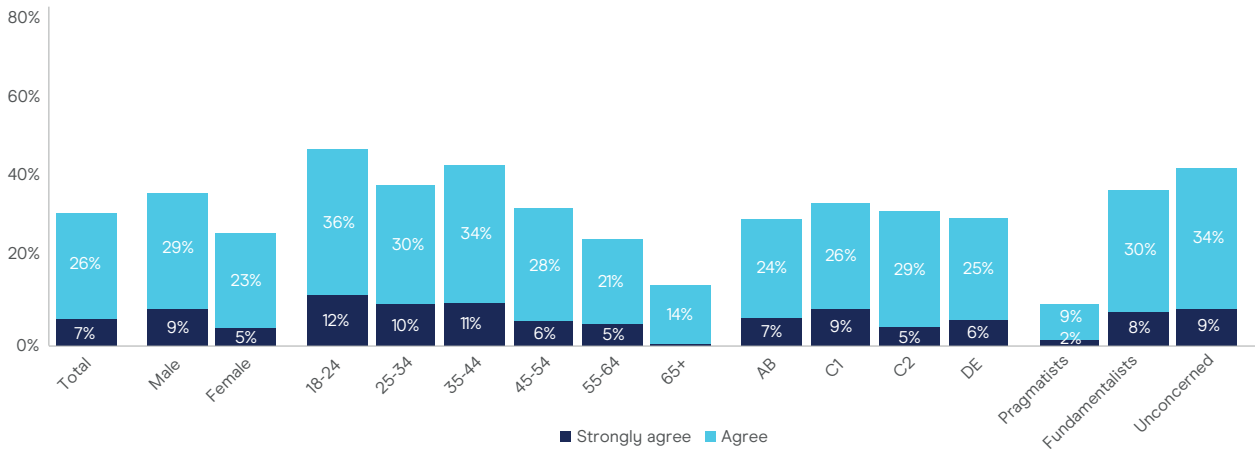
Despite the challenges outlined above, today we find a UK consumer base that is primed to engage with data economy. Increasingly, consumers see their personal information as an asset that they can use to negotiate for better prices and offers; a sentiment that is prevalent across age groups. The rise of the Consumer Capitalist, first introduced in 2012, continues to advance. Indeed, the number of respondents who view their personal data as an asset has increased to 56% in 2017 – up from 40% in 2012. Moreover, in 2017, 61% of 18-24 year-olds view their data in this light – suggesting younger generations see clearly their data as a valuable, exchangeable commodity.

“I see my personal information as an asset that I can use to negotiate better prices and offers with companies” | % who agree strongly or agree



An interesting development that is expected over the medium term is the growing use of automated and smart systems to run and deliver services on the consumer’s behalf. Interestingly, we find today that one third of all respondents are interested in a service that automatically collects data and trades it with brands for the best financial reward. This rises to almost half among 18-24 year-olds. The Consumer Capitalist sentiment combined with the interest in more automated smart systems, suggests that the use of personal data management services could become a prominent feature of the data economy in the near future; arguably providing further empowerment to consumers in their information exchange with industry.

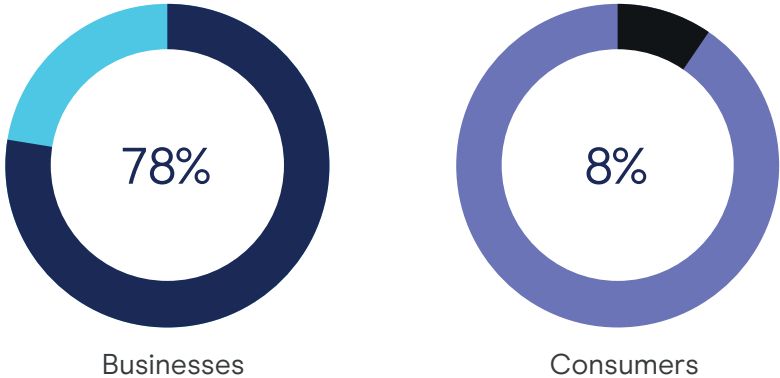
“I would be interested in a service that automatically collects your data and trades it with brands for the best financial reward for you” | % who agree strongly or agree



Addressing the perceived asymmetry between industry and consumer

The vast majority of consumers today continue to believe that businesses benefit disproportionately from data sharing – a sentiment which hasn’t changed significantly since 2015.

“In your opinion, who currently benefits the most from personal data exchange in the UK?” 2017



Overall, we find a small decrease since 2015 in the number of respondents who believe that businesses benefit the most from the data economy in the UK – falling from 80% to 78%. At the same time, we note a similarly small increase in the proportion of respondents who think that consumers benefit the most – rising from 7% to 8%.

Overall, we find a small decrease since 2015 in the number of respondents who believe that businesses benefit the most from the data economy in the UK – falling from 80% to 78%. At the same time, we note a similarly small increase in the proportion of respondents who think that consumers benefit the most – rising from 7% to 8%.

While this shows a sustained and perceived asymmetry in data exchanges between businesses and consumers, a more rapid change in opinion is notable among younger demographics. The number of consumers aged 18-24 who think businesses benefit the most has decreased from 64% in 2015 to 56% in 2017. Moreover, the proportion of respondents aged 25-34 who believe that consumers benefit the most from data sharing has risen from 10% in 2015 to 14%. This indicates an important generational shift in attitudes towards data sharing.

Despite this, the continued imbalance in the current data economy perceived by consumers will need to be addressed in order to promote a sustainable and healthy data economy.

Foundations for a healthy value exchange

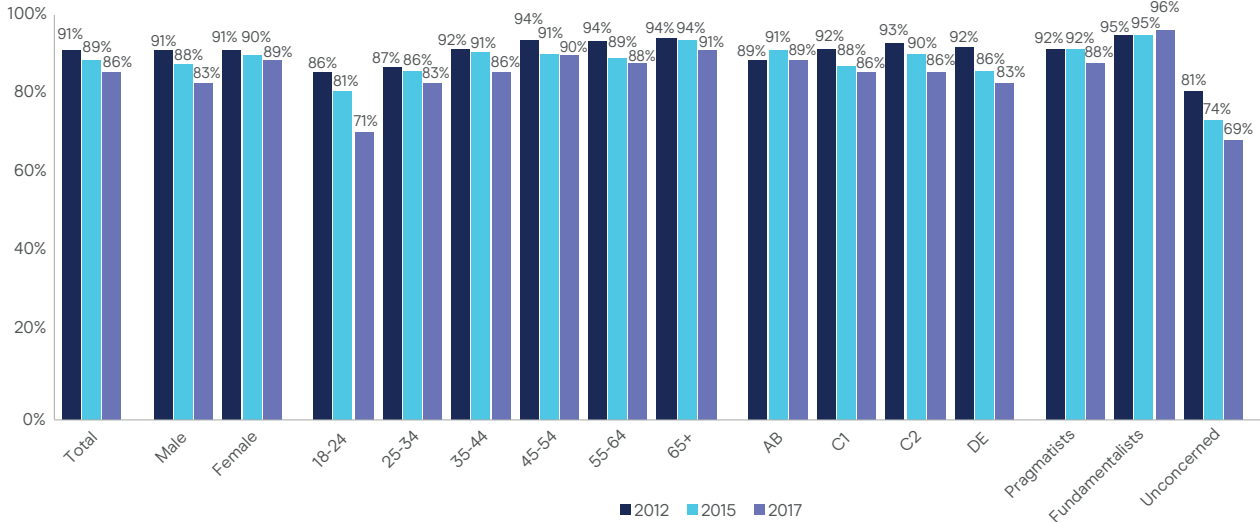
Given the existing perceived asymmetry outlined above, a number of consumer concerns and priorities need to be addressed in order to establish the foundations ahead of more advanced engagement from industry.

Control remains key

The desire among UK consumers for control over data collection and usage remains entrenched in 2017. While the number of people who state that they would like more control over the personal information they give companies has fallen slightly since 2012, the vast majority (86%) still hold this ambition.

However, it is notable that the number of 18-24 year-olds who claim to seek more control over the flow of their data has fallen to 71% in 2017. This growing sense of control that young consumers demonstrate could be a key factor in the migration to the Unconcerned segment outlined above.

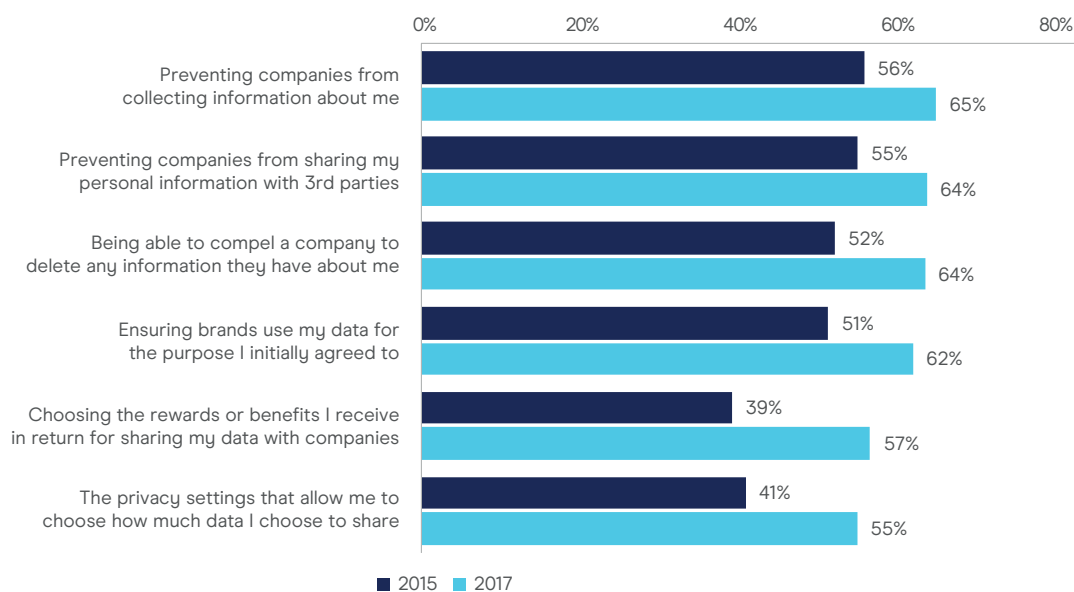
“I would like more control over the personal information I give companies and the way in which it is stored” | % who strongly agree or agree



When asked about specific areas of data exchange, consumers in the UK show a consistent loss of control between 2015 and 2017. For example, the proportion of consumers who feel that they have a lack of control over preventing companies from collecting information about them has increased from 56% in 2015 to 65%. Similarly, the number of respondents who feel they have a lack of control over the amount of data they share has grown from 41% in 2015 to 55%.

“How much control do you think you have over the following? Please use the scale from 1 to 10 where 1 is ‘I don’t feel I have any control at all’ and 10 is ‘I feel that I have complete control’”

% who feel they are not in control of this (1-4)



These findings underscore the importance of providing people with an increased sense of ownership and control over their personal information in order to develop a healthy data culture in the UK.

Building trust is paramount

The second precondition to building a healthy data ecosystem is establishing trust so that consumers feel more comfortable with sharing their personal information. As can be seen in the chart below, trust in an organisation is by far the most important factor for consumers in data exchanges. The more transactional factors, such as being able to get higher value goods for lower prices as well as receiving free services and products in return for sharing personal data, appear to be secondary considerations.

Nonetheless, it is worth pointing out that these factors have seen incremental growth since 2015 – suggesting that consumers find rewards and incentives of increasing importance in their data sharing with companies. In effect, organisations are encouraged to predominantly focus on establishing corporate trust, but once in place, there is a growing opportunity to engage consumers with a growing range of value propositions.

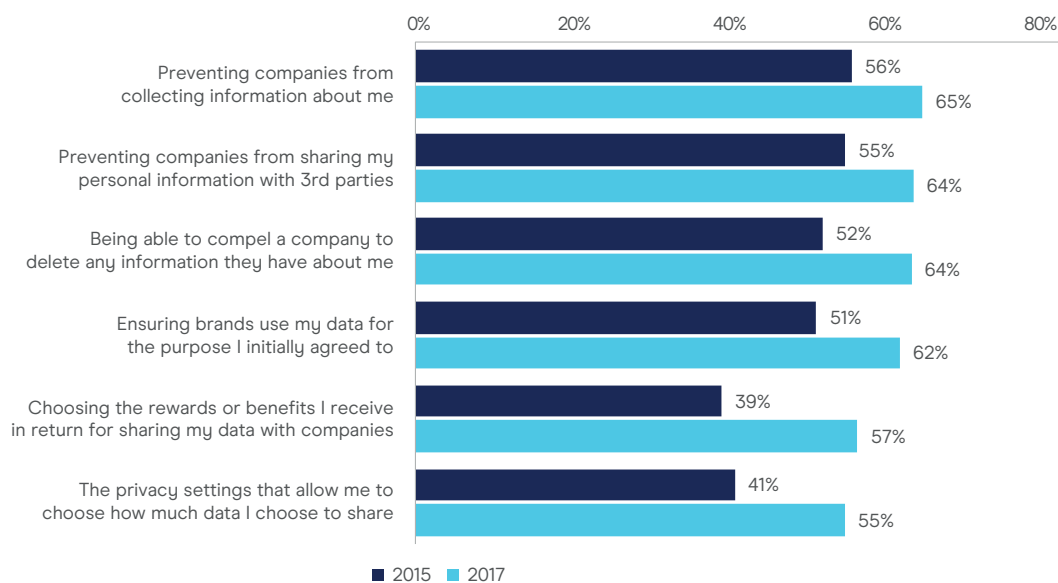
“Please rank the following in terms of what makes you happy to share your personal information with a company?” | % who rank each option in their top three



Consumers seek transparency

The third foundational factor to promote a more positive data culture with consumers is to provide significant levels of transparency over how and why their data is being collected. The overwhelming majority of UK consumers – between 85% and 88% - indicate that the following factors are important in sharing data with organisations.

“How important are each of the following to you when sharing your personal information with a company?” | % who say very important or important



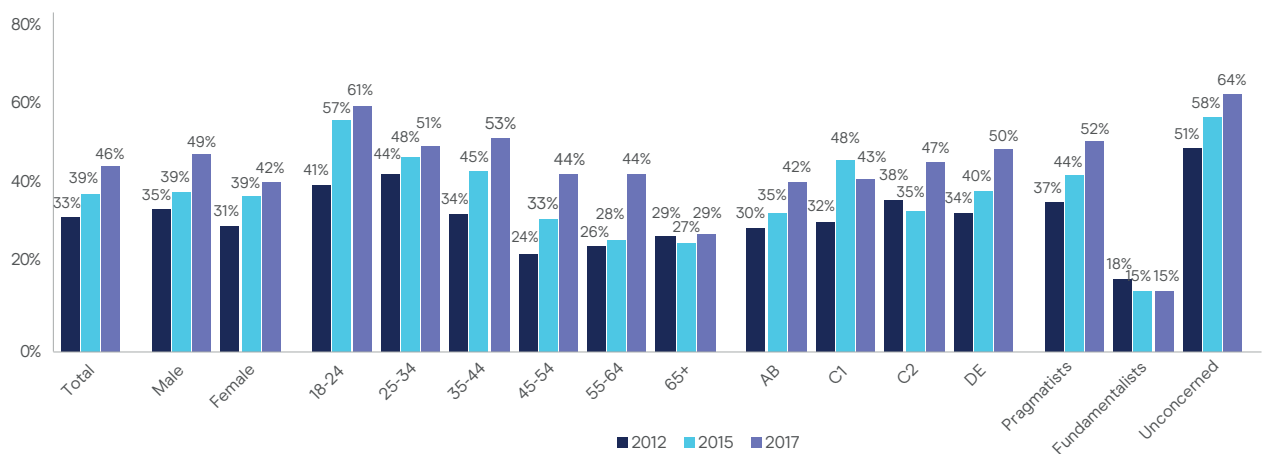
In addition, all factors relating to the enhanced need for transparency have seen growing interest from consumers since 2015. For example, 88% of people in the UK now claim that transparency about how their data is collected and used is important when sharing their information with a company.

Control, trust and transparency can be regarded as the core hygiene factors – essential requirements that must be met by companies before consumers are willing to share their personal data. Once such precursors are in place, there is a growing array of incentives and offers that consumers are looking for when exchanging information with brands and organisations.

Incentivising data sharing

UK consumers are showing growing appreciation and receptiveness to a range of incentives that go far beyond direct financial reward. Overall we find growing numbers in the UK believe that they receive an improved service from companies in return for their personal data; rising from 33% of UK consumers in 2012 to 46% in 2017. However, we find a significant divergence in opinion across different age ranges; just 29% of those aged 65+ feel they get an improved service in return for the personal data they give to companies. In comparison, almost two-thirds agree with this statement among those aged 18-24.

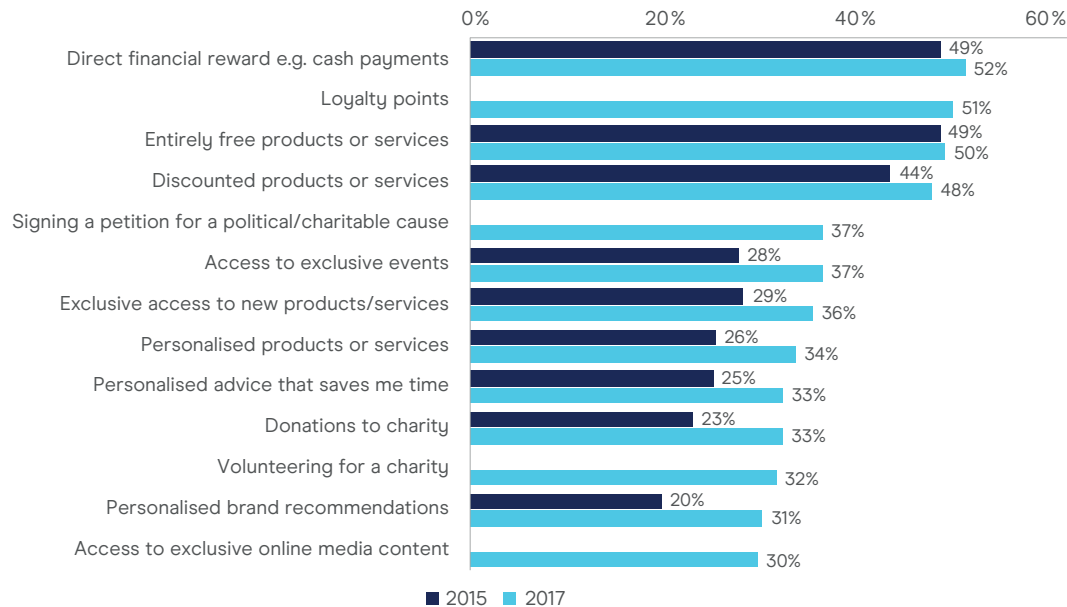
“On the whole I feel that I get improved service in return for the personal data I give to companies” | % who strongly agree or agree



We are also observing positive signs of a maturing data economy when we look at the incentives that would make consumers likely to share their personal information with organisations.

“How likely would you be to share your personal information in exchange for the following incentives?”

% who select each option | % who say likely (1-4)



The proportion of respondents that indicate they would engage in data exchanges with companies in return for rewards and offers has increased across all options in our research. The fastest growth has occurred among more indirect rewards such as personalisation, recommendations and access to exclusive events and content. For example, the number of people who claim they would be more likely to exchange their personal information in return for personalised products or services has risen from 26% in 2015 to 34% in 2017. Similarly, the number who claim they would be more likely to exchange their personal information in return for personalised brand recommendations has risen from 20% in 2015 to 31% in 2017.

Such findings point to a maturing data economy where consumers are becoming more sophisticated and knowledgeable about the range of offers and benefits available within the evolving data economy. For industry, once the foundational factors outlined above are in place, there is clear evidence of a growing arsenal of incentives that can be used to entice consumers beyond simple monetary exchanges.

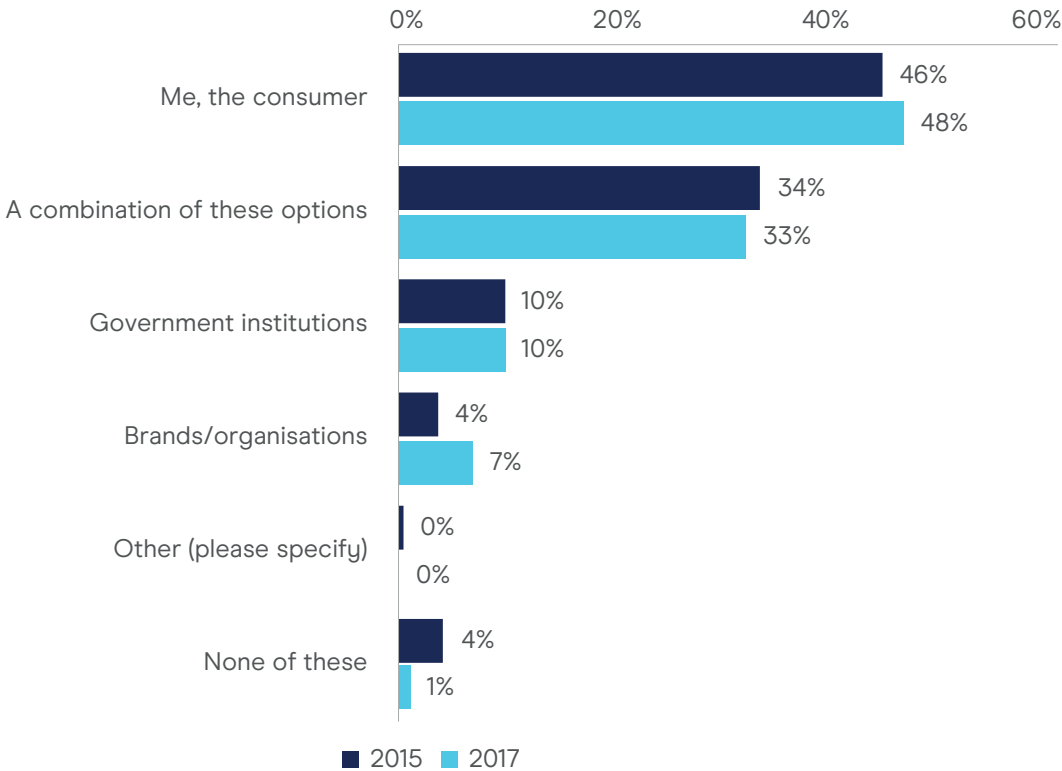
/ Part 3: Rights and Responsibilities

In the previous two sections of this report, we outlined the growing sense of awareness and understanding around online privacy and data sharing practices among UK consumers. These societal changes point towards a maturing data economy in the UK, which is also shaping consumer attitudes and behaviour around their rights and responsibilities with regard to data exchange.

Growing individual responsibility

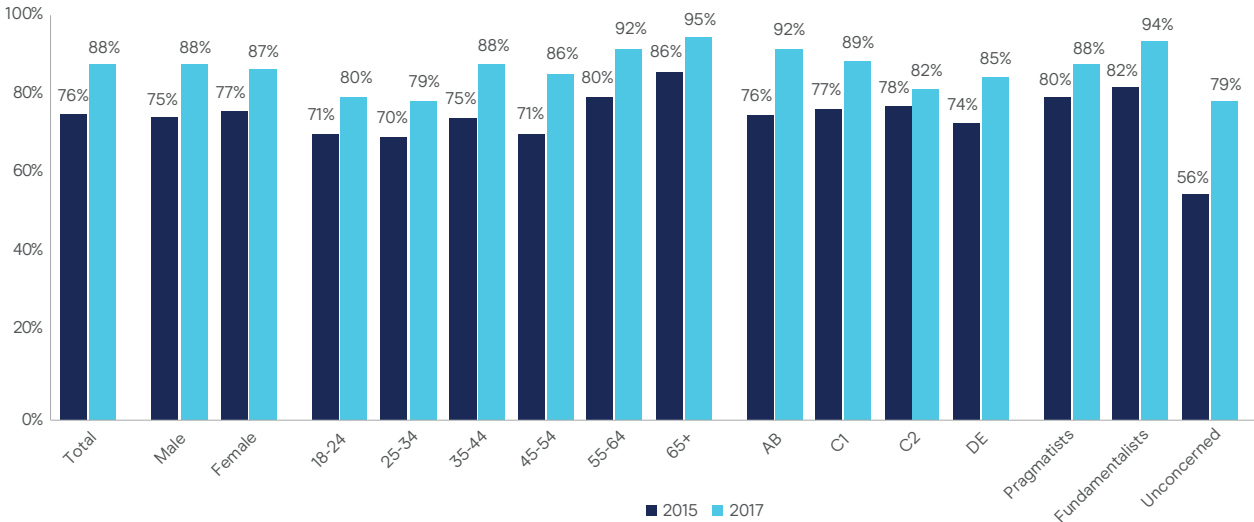
Almost half (48%) of consumers believe that they should have ultimate responsibility for their data security, rising slightly compared to 2015. Moreover, while the number of respondents who think that the burden lies with brands/ organisations has nearly doubled since 2015, it is still only 7% of the population who hold this view.

“In your opinion, who should have ultimate responsibility for your data security?”
% who select each option



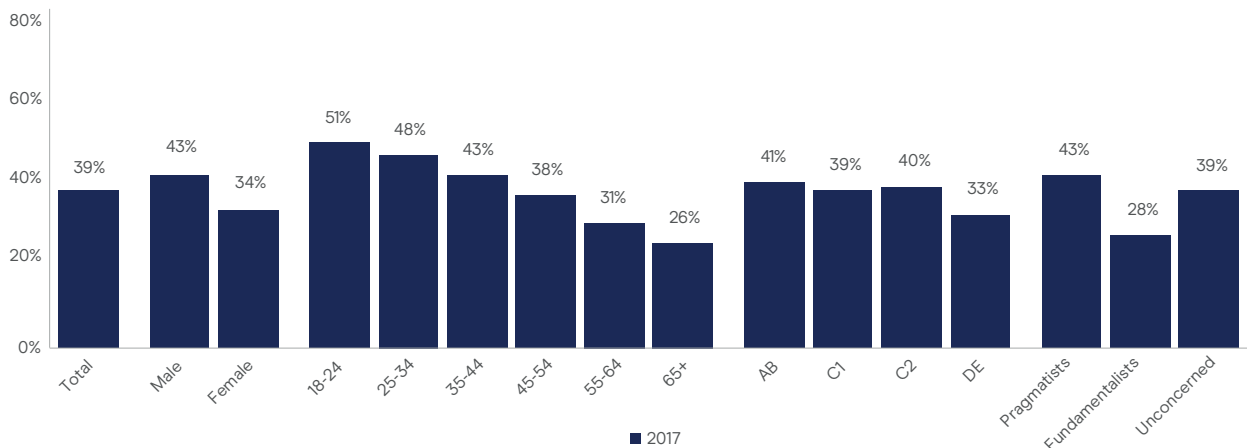
One driver of growing responsibility towards data security is likely the high awareness among UK consumers of news headlines about data security breaches. In 2017, 88% of consumers said that these kinds of news headlines had heightened their awareness of their own data privacy – up from 76% in 2015. Particularly older demographics showed strong agreement with more than 9 out of 10 respondents aged 55+ indicating that they had become more conscious of personal data privacy as a result of such news reports. It is also noteworthy that awareness of data breaches highlighted in the media has not dampened the trend towards overall decline in concerns around online privacy as outlined in Part 1, suggesting this is an entrenched and established change in public opinion.

“Recent news headlines about data security breaches have heightened my awareness about my own personal data privacy”
 % who strongly agree or agree



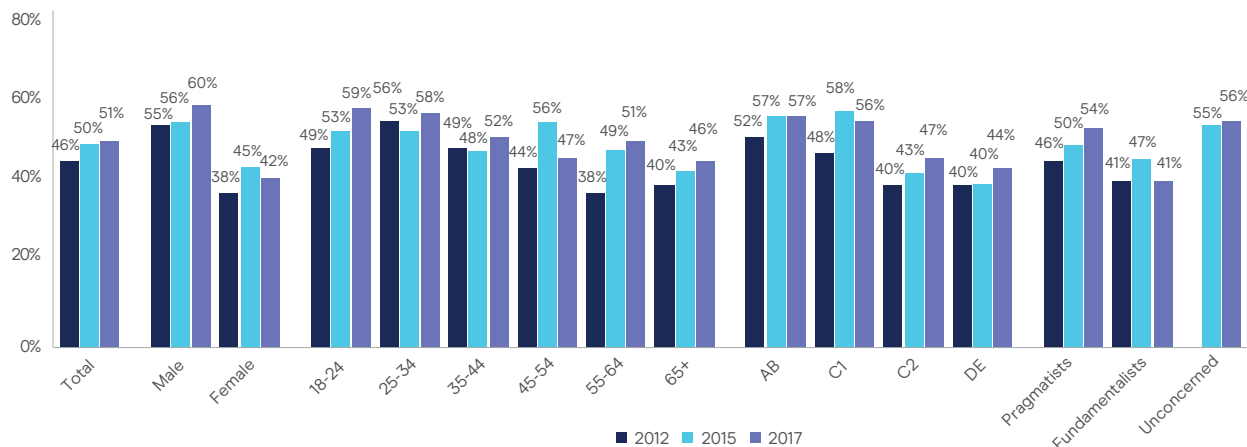
Even though most UK consumers say that they have become more aware of personal data privacy, understanding of specific laws and regulations is lower. Currently 39% of consumers indicate that they are familiar with the new General Data Protection Regulation (GDPR) that will be introduced in May 2018 – rising to around half among 18 - 34 year-olds.

“I am aware of the new General Data Protection Regulation (GDPR) that will be introduced in May 2018”
 % who agree



A growing number of people in the UK also indicate an awareness that they can ask any organisation to see the personal data held on them. In 2017, 51% of consumers answered that they are aware that they have this right – up from 46% in 2012.

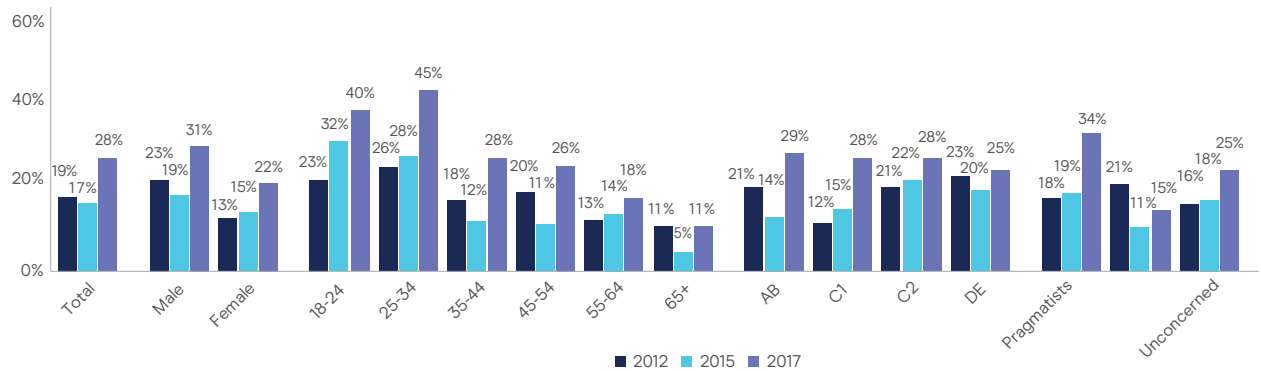
“Are you aware that you can ask any organisation to see the personal data they hold on you?”
 Yes



Furthermore, the number of consumers who have actually employed this right and taken action has also increased. Among those who are aware that they can ask any organisation to see their personal data, 28% of respondents said that they had in fact requested to see information held on them by a specific brand, rising to 45% among 25 to 34 year-olds. It is also notable that women show less awareness of their right to request to see information held on them and to action such rights, compared to their male counterparts.

“Have you ever requested to see information held on you by a specific organisation?”

Yes. Among those aware they can ask organisations for personal data



Overall, UK consumers show a growing sense of responsibility over their personal privacy and data exchange.

Building collaboration across industry and government

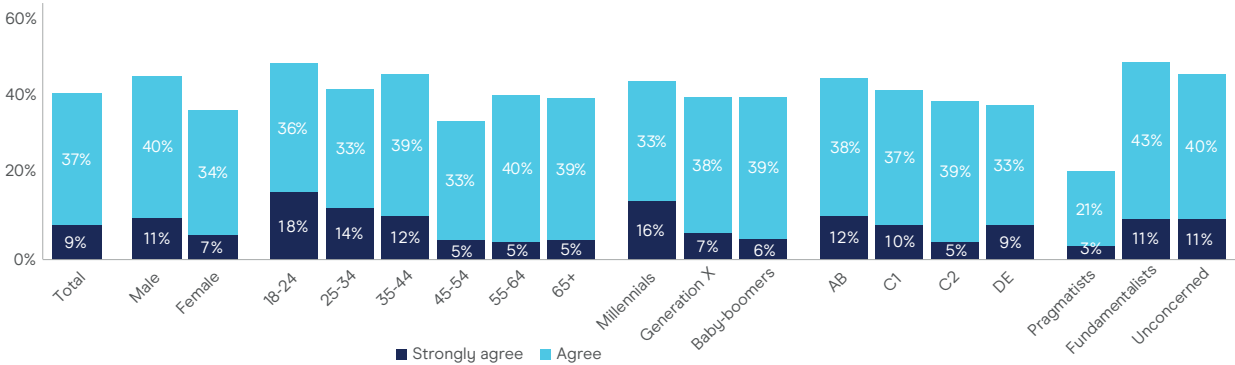
The impact of rapid technological changes predicted by the onset of the Fourth Industrial Revolution is expected to create a range of new challenges for UK industry and government. Indeed, advances in areas such as the Internet of Things and Artificial Intelligence will also create a range of new threats to the data economy in the UK; particularly in relation to data privacy and security.

In the face of such threats, it is widely expected that more collaboration across industry competitor silos, and across business and government more broadly, will be a crucial step to ensure the data economy infrastructure and safeguards are fit for purpose.

Moreover, wider sharing of data across industry and government will also enable improvements to the types and sophistication of services that consumers receive.

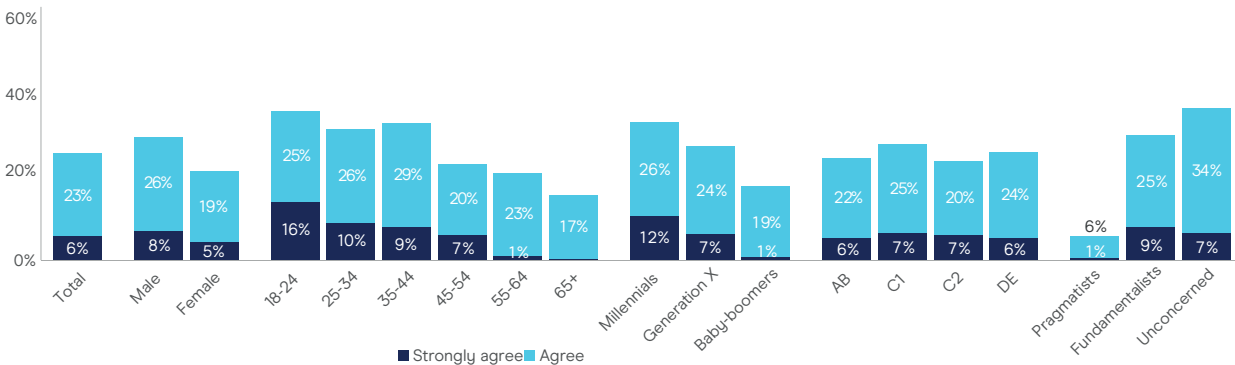
Interestingly, we find sizeable support for data sharing across government departments and across industry. Indeed, 41% in the UK would be happy for government departments to share their personal information to make public services more efficient. This rises even further to 54% among 18-24 year-olds.

“I would be happy for a government department to share my personal information with other government departments to make public services more efficient”
 % who strongly agree or agree



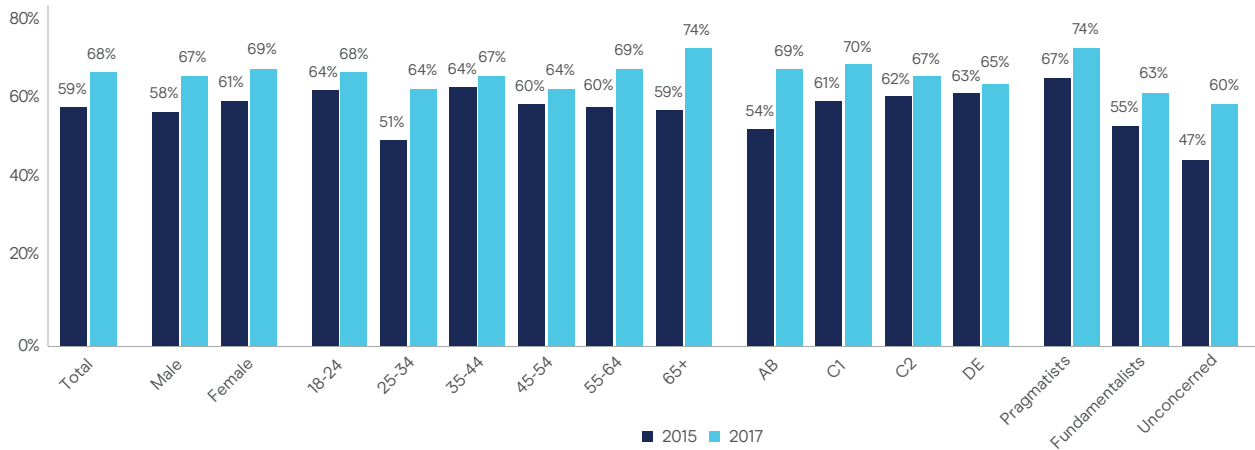
Support for a business to share personal information with other businesses to provide more tailored services and products has less support, with 29% agreeing with the statement. However, this figure rises to 41% among 18-24 year-olds.

“I would be happy for a business to share my personal information with other businesses if it will give me more tailored services and/or products”
 % who strongly agree or agree



It is also interesting that high majorities of consumers are interested in brands combining different data sets (financial, health etc) in order to receive useful advice and benefits. In 2017, 68% say such service offers are important to them when sharing data with a company, compared to 59% in 2015. Moreover, such interest is consistent across all ages with those aged 65+ actually showing the most support.

“How important are each of the following to you when sharing your personal information with a company?”
Options to combine different parts of my personal data (e.g. Financial, health, shopping) to ensure I get more useful advice and benefits. % who say very important or important 2017



For both future security concerns and enhanced service offers, the pooling and sharing of different data sets will become increasingly important across and between industry and government. Such collaboration will be crucial to ensure the future prosperity of the data economy in the UK. More will need to be done to convince consumers of the benefits of such collaboration, especially with regard to data sharing across businesses.

/ Methodology

In November 2017, Foresight Factory conducted, on behalf of the DMA, an online survey of 1,047 respondents exploring public attitudes towards privacy in the UK. Unless referenced, all data included in this report is taken from this survey.

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

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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We set the standards marketers must meet in order to thrive, representing over 1,000 members drawn from the UK's data and marketing landscape.

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/ About Foresight Factory

Foresight Factory is a leading international consumer futures business. Our core expertise is based on identifying and forecasting social and consumer trends and determining the extent of their impacts on markets, services, brands and products. Since our launch in 1996, we have worked to meet the strategic needs of businesses through the application of insight. We identify measure and examine trends, attitudes and behaviours through the rigorous analysis of quantitative and qualitative research. Our robust programme of research provides businesses with the grounding and confidence to anticipate the likely impact of the evolving consumer environment and identify new market and revenue opportunities. For more information, visit www.foresightfactory.co

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