



Data privacy: What the consumer really thinks

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Introduction

Data-driven marketing has powered a flourishing digital economy, helping businesses build connections with their customers and powering startups and small businesses to reshape the global economy. It also delivers tangible everyday benefits, such as the increased relevancy of advertising and increased value and savings for customers. Advertising on social media and digital platforms also funds the innovative content and services that consumers have come to rely upon on a daily basis.

The survey results contained in this report are clear. Consumers see the value in the data-driven economy, and they are willing to share their information in order to receive services and discounts. However, marketers need to nurture customer trust through responsible marketing, and we as an industry need to better inform consumers of the value received through the exchange of data.

Because we also see that today's customer demands value in exchange for their data, and marketers are competing with each other for personalization that results in better customer experiences. Today's customer base is segmented across a range of digital channels, and an individual customer uses an increasing number of connected devices. This creates a clear challenge for marketers seeking more convenience for customers, identity for their interest-based advertising and attribution for their sales.

On the horizon we see advances and sophistication coming with the advent of augmented intelligence, which will allow marketers to further connect with customers closer to the one-to-one relationships that customers are expecting and demanding. Over 70% of marketers say their investments are driven by customer expectations of more personalized and relevant brand interactions. The possibilities are endless and the rate of innovation is increasing. However, this innovation must be protected.

Looming requirements from the General Data Protection Regulation (GDPR) in Europe and increased scrutiny from state and federal regulators risk setting our industry back by limiting how marketers may utilize data to improve the customer experience. This is a shame, as responsible marketers are interested in acting ethically and nurturing customer trust. All the more reason for industry to come together and ensure an environment that drives value to customers while we ferret out bad actors. With the best interests of customers in mind, and with a steady eye toward security and responsibility, industry self-regulation demonstrates that our industry takes ethics and responsibility seriously.

All DMA members want lasting customer relationships that are based on trust, results and trust, and they know that handling data responsibly while respecting privacy is critical. If we can make this point clear to consumers – our past and future customers – then our data-driven future will be bright.

Tom Benton
CEO, Data & Marketing Association



Foreword

Now that technology has caught up with our imaginations and promises to exceed our wildest dreams, this moment-in-time represents a critical inflection point in our human journey. The technology we love – technology that serves and delights, that solves our problems and is of ever greater utility – creates data with every swipe, search and download. It also relies on data, about us, to work. How all of this data is used, for good or for bad, is our human question and challenge. We face decisions that can materially impact the future we are creating for ourselves, our children and our world.

This survey shows that people are increasingly aware of the role data plays in our lives and are becoming more conscious of the decisions they make in exchanging data for value. Collectively, we have come to understand that all data is an abstraction of a human, and that we must be accountable for how we collect the data that fuels business and governments and for how it should be used.

Applying an ethical construct to assess data-driven solutions is essential. This means deliberating between what you can technically do with data and what you should do with data. Establishing a common code of conduct and operationalizing data ethics is the only way to ensure that we can continue leveraging data to succeed in our respective marketplaces while establishing and strengthening the trust of the individuals we serve.

The Internet of Things is here. The companies that produce and interact with connected devices, from smart TVs, smart cars to smart medicine, need to be operationally equipped to ask the right questions at the right time. Operational readiness and applied data ethics must be built into the early stages of product development, all the way through to launch and beyond.

Our evolution should not and cannot stop with GDPR. Other upcoming regulations including ePrivacy Regulation, also in Europe, will continue to encourage debate and drive the process of data governance forward in a human-centred way.

Acxiom is proud to partner with the DMA today, as we have for almost fifty years. Together, we continue to work in partnership with each other, with the world's largest brands and with consumers to settle on what's fair, just and balanced.

I hope you enjoy reading this report. Please keep in mind that we are only at the beginning, not the end, and that the future is exciting and full of promise.

Sheila Colclasure
Chief Data Ethics Officer and Public Policy Executive, Acxiom and LiveRamp



Executive summary

(1) Most Americans are Data Pragmatists, while nearly 1 in 5 are Unconcerned

Data Pragmatists comprise the majority of the American population, with 58% of consumers falling in this category. Consumers in this segment are open to engaging in data exchanges with businesses if the benefits received in return for their personal information are clear. In addition, nearly 1 in 5 consumers - and around a quarter of Millennials - are Unconcerned, which can be described as those consumers who are unconcerned about the collection and usage of their personal data.

(2) Almost half of American consumers feel more comfortable with data exchange than they did previously

Almost half of consumers (44%) in the United States say they feel more comfortable with data exchange than they did previously, rising to 54% among Millennials. In fact, American respondents show one of the highest levels of comfort with data sharing compared to other global markets.

(3) High awareness and understanding of the role of data exchange in modern society

Almost two thirds of US consumers indicate they feel more aware of how their data is used and collected than in the past. We are also noticing a growing degree of comfort with providing companies with personal information, as just over half of respondents say that they are happy with the amount of personal information they provide to companies today. Furthermore, almost two thirds of consumers (62%) believe that sharing data and personal information online is part of the modern economy.

(4) The U.S. public are showing an entrepreneurial spirit when it comes to data exchange

Awareness and acceptance of data exchange impacts how consumers perceive the value of their personal information. Indeed, 76% of respondents agree that they should be able to trade their data for better offers and services.

(5) Addressing the perceived asymmetry between industry and consumers

Only 11% of American consumers think that consumers benefit the most from data sharing, with three quarters believing that businesses benefit the most. However, the distribution among younger consumers tells a more positive story: nearly 1 in 5 Millennials think that consumers benefit the most from sharing data, with 67% believing that the data exchange status quo favors businesses disproportionately.

(6) Data control and autonomy are critical for US consumers

While we see a strong pragmatist mindset in the United States, a high proportion of consumers (84%) indicate that they would like more control over the personal information they give companies. Additionally, most individuals (43%) in the US believe that responsibility for data security lies with consumers, while only a small proportion think that brands or government institutions should bear this responsibility. 37% think that responsibility ought to be carried by a combination of consumers, brands and government institutions.

(7) Establishing trust is paramount in assuaging online privacy concerns and developing a sustainable data economy

Trust in an organization is by far the most important factor for consumers in data exchanges, with 54% of respondents ranking trust in their top three considerations that would make them happy to share their personal data. Given that more than 4 in 5 respondents show relatively high levels of concern about the issue of online privacy, establishing trust will be crucial in fostering a healthy data economy. Furthermore, our research findings show that organizations which are generally trusted most by consumers (e.g. doctors and banks) are also trusted most when it comes to dealing with personal data. The type of personal information requested also determines whether people are willing to share data, with consumers being more conservative when it comes to private information such as spending data.

(8) Transparency is entrenched as a consumer priority for data exchange

Transparency and clarity are fundamental preconditions to data exchange. In fact, more than 4 in 5 consumers find it important that businesses are transparent about the collection and usage of data, provide easy-to-understand terms and conditions and show a clear link between the data shared and benefits received.

(9) Interest in a range of incentives for personal data beyond simple monetary rewards

When it comes to incentivizing data sharing, direct financial rewards such as cash payments and discounts trump indirect incentives like personalized products or tailored recommendations. While more than a third of respondents would be likely to share their data for monetary rewards vis-à-vis around 20% indicating the same for indirect incentives, there is a wide range of incentives that businesses can employ to encourage consumers to share their personal information.

(10) A maturing and advanced data landscape is emerging in the United States

Widespread awareness and acceptance of data exchange in the United States has created an environment where Data Pragmatism is the dominant consumer mindset, which provides fertile ground for a healthy data economy. In order to capitalize on the positive trends highlighted in this work, some remaining obstacles will need to be addressed. These include assuaging concerns around online privacy, giving consumers more control over the collection and usage of their data and educating people on the value of their personal information.

Part 1: Awareness and acceptance of data exchange

Our research findings demonstrate that the United States has a strong pragmatist mindset when it comes to data sharing. It appears that American consumers have a good understanding of the value exchange – especially younger consumers who are likely to be better informed and more comfortable with the exchange of personal information and receiving benefits in return.

Pragmatism is the dominant approach towards data sharing in the United States

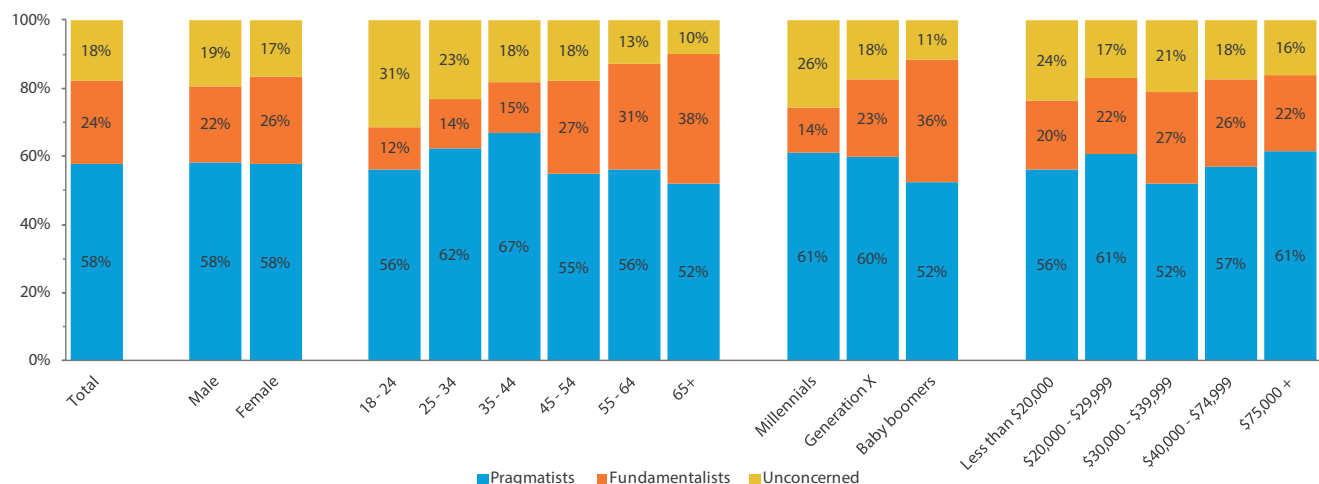
For this report, Foresight Factory constructed a segmentation analysis that categorizes consumers according to their attitudes towards privacy and data exchange. The key segments used are the following:

- **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

Our customer segmentation in 2017 provided the following results:

- 58% are Data Pragmatists
- 24% are Data Fundamentalists
- 18% are Unconcerned

A segmentation of attitudes towards privacy and data exchange in the USA



The Data Pragmatists

The Data Pragmatists are the largest consumer segment in the United States and comprise 58% of the population. The proportion of Pragmatists is relatively evenly distributed across demographics, with consumers between the ages of 25 and 44 being slightly more likely to fall in this category.

This could be attributed to the fact that consumers in this demographic are accustomed to technology, but did not grow up as 'digital natives' like Millennials, which might make them a bit more discerning about data privacy considerations and more demanding of incentives in return for sharing personal information.

The proportion of Data Pragmatists in the United States is high compared to other global markets. For example, the number of Data Pragmatists falls to 53% in Canada and to 49% in Australia.

The Data Fundamentalists

In contrast, the number of Data Fundamentalists and Unconcerned is more contingent on the age group of respondents. Only 12% of 18-24 year olds are Fundamentalists, while 38% of those aged 65+ can be categorized as such. This is most likely due to older consumers conventionally displaying higher levels of concern and discomfort around data sharing with businesses.

The proportion of Data Fundamentalists in the United States is in line with the trend seen across all other global markets. On average, across 10 global markets, 23% of consumers are Data Fundamentalists; compared to 23% in the US market.

The Data Unconcerned

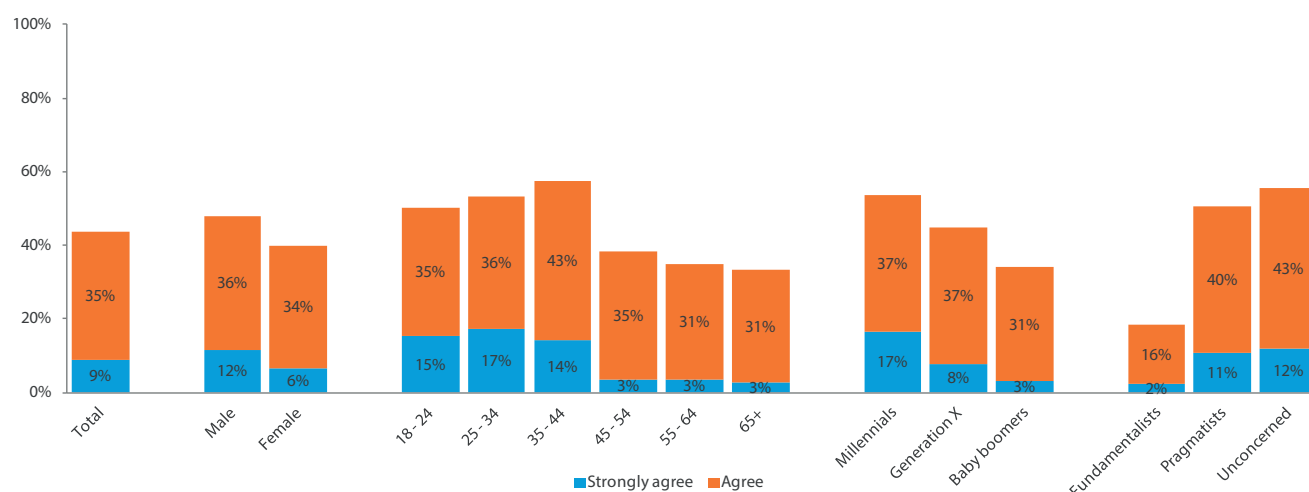
Conversely, 31% of 18-24 year olds are Unconcerned, whereas only 10% of consumers over the age of 65 fall within this segment. The reason for younger generations being more likely to be Unconcerned could be explained by the fact that these consumers have grown up with the internet and digital devices – possibly making them more comfortable with the data exchange status quo and less concerned about online privacy issues. However, the reason that some consumers fall within the Unconcerned segment may be attributed to a sense of disengagement with the data economy; any sense of apathy with data sharing will need to be addressed to facilitate a healthy data economy.

The proportion of Data Unconcerned in the United States is low compared to global averages. While 18% in the United States fall into this segment, this rises to 23% in Canada, 25% in Australia and 35% in the Netherlands.

Comfort with data exchange rises for nearly half of American consumers

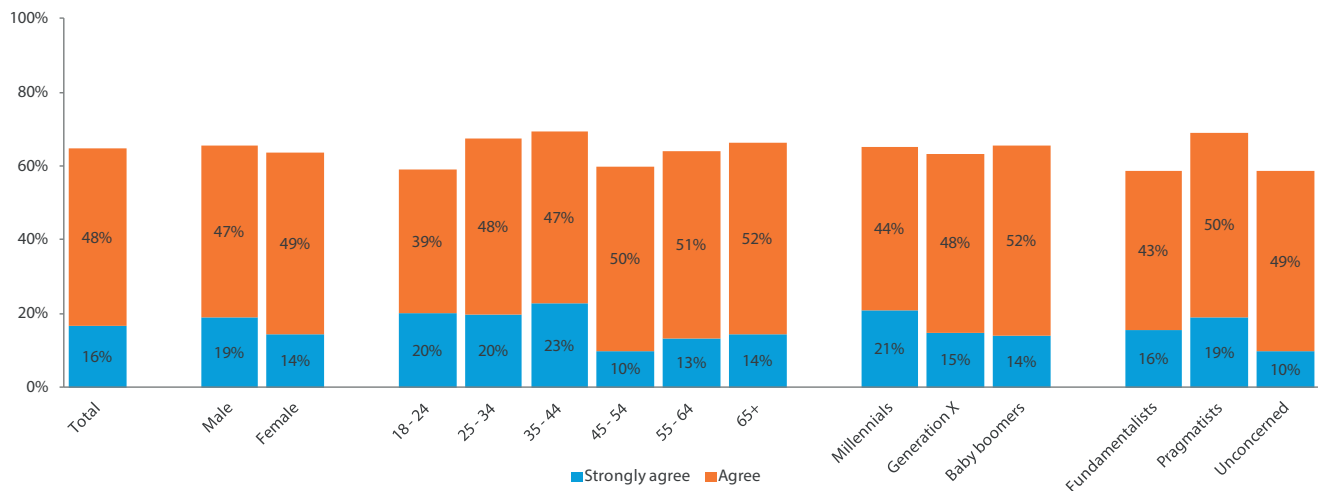
The strong tendency towards Data Pragmatism in the United States is reflected in the general attitude towards data exchange. We have found that 44% of American consumers say they feel more comfortable with data exchange than they did previously, rising to 54% among Millennials. In fact, the United States shows one of the highest degrees of comfort with data sharing in contrast to other countries, such as Spain and France, where only a third of respondents indicate to feel more comfortable with data exchange.

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

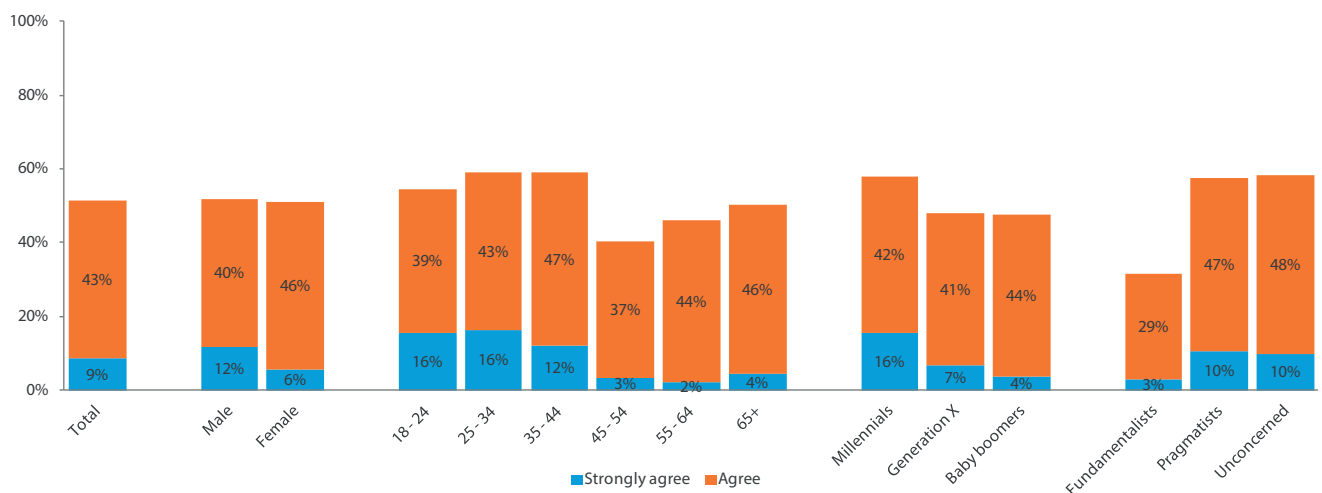


High awareness and understanding of the role of data exchange in modern society

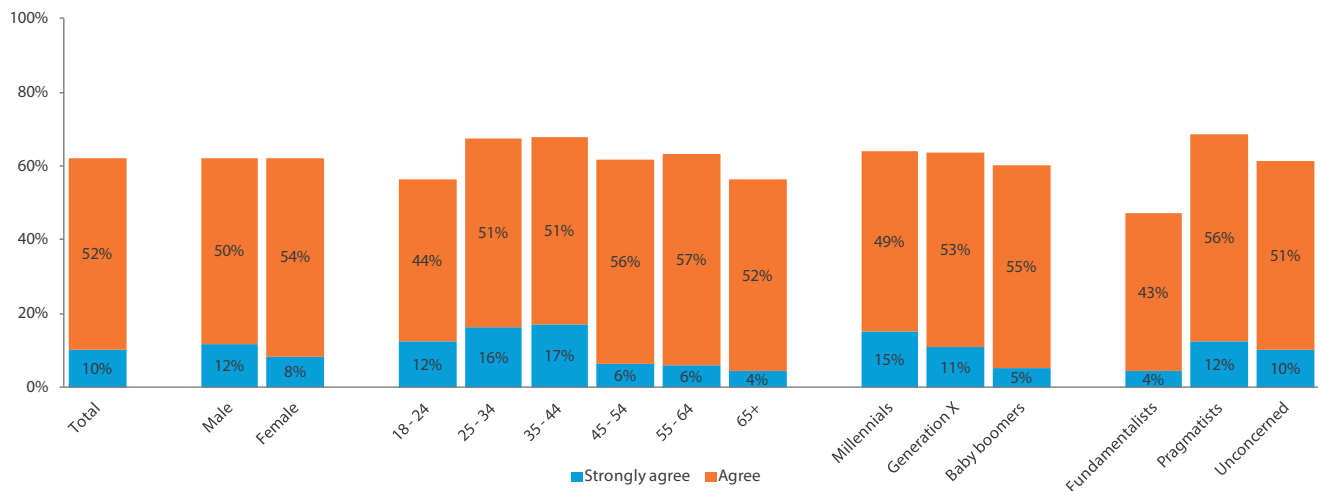
Alongside the growing comfort with sharing personal information with companies – particularly among younger demographics – we note that almost two thirds of consumers in the United States say they feel more aware of how their data is used and collected than in the past. Americans fall somewhere in the middle when it comes to awareness of data usage and collection compared to other global markets. For instance, 55% of Canadian consumers indicate to feel more aware of how their data is used and collected than in the past, but this rises to 73% in the Netherlands.

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

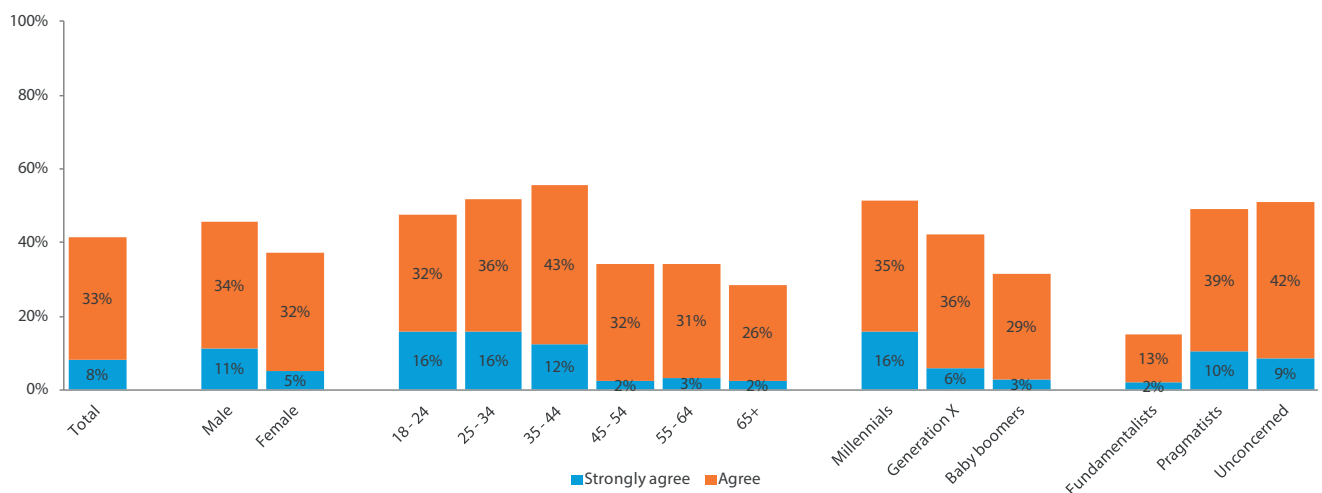
We are also seeing that just over half of consumers indicate that they are happy with the amount of personal data they provide to companies these days. This figure rises slightly among Millennials, where 58% of respondents say that they are happy with the amount of personal information given to organizations.

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

Furthermore, we find that 62% of American consumers believe that sharing data and personal information online is part of the modern economy. The United States shows particularly high awareness of the value of data exchange to the wider economy compared to other global markets. For example, 51% of Canadian and 46% of French consumers consider data sharing to be part of the modern economy.

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

Moreover, just over 2 in 5 consumers in the United States agree that sharing data is essential for the smooth running of society. This sentiment is felt more strongly among younger demographics with over half of Millennials viewing 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

Part 2: The pragmatic consumer landscape

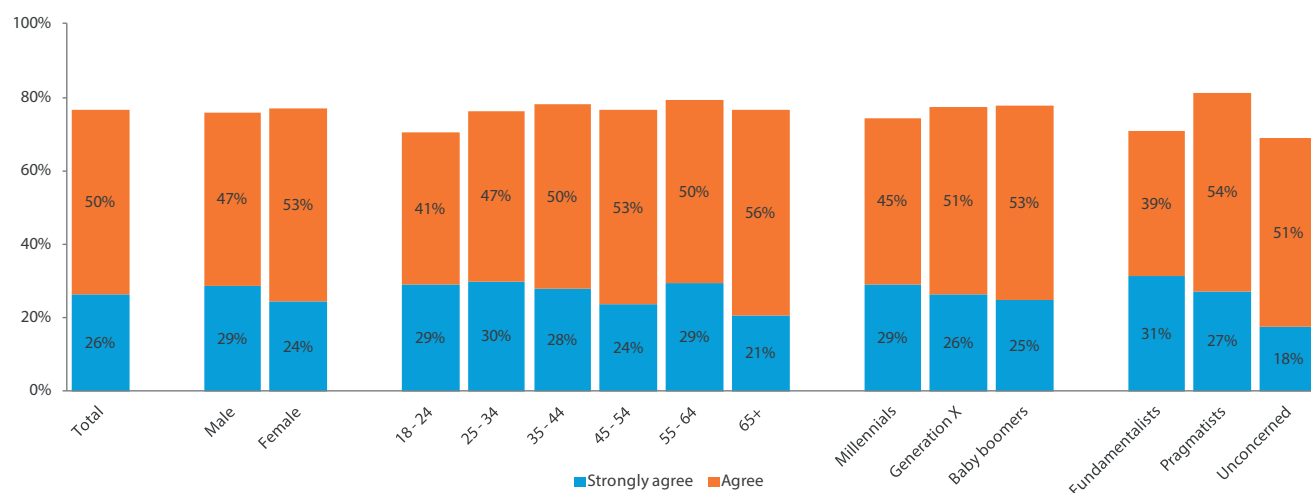
High public awareness and acceptance of data exchange relative to other markets in our global survey are positive signs of a maturing data economy in the United States. Coupled with the fact that the majority of consumers are Data Pragmatists, we believe that there is fertile ground to promote data sharing among the population.

In order to promote a healthy data culture, the relatively high levels of concern about online privacy will need to be assuaged - although we should bear in mind that similarly high levels of concern can be found across global markets. More positive engagement can be fostered by educating people about the value of their personal information and providing them with an increased sense of control over data exchange.

The U.S. public are showing an entrepreneurial spirit when it comes to data exchange

The increased awareness about data collection and use seems to impact how consumers wish to share their personal information with companies and what they expect to receive in return. We find a consumer base in the United States that is primed to engage with the data economy and perceives their personal information as an asset in digital interactions with organizations. Indeed, 76% of American respondents say that their data is their property and believe they should be able to trade it if they like, which indicates that a large proportion of consumers understand the value of their personal information.

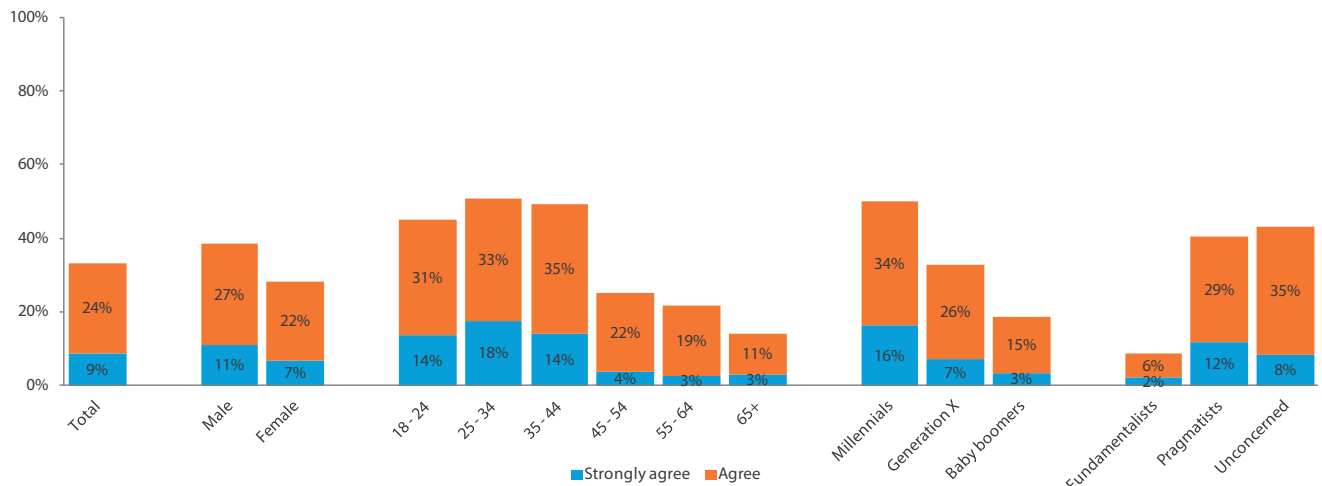
“My data is my property and I should be able to trade it if I like (e.g. for better offers, services)”
 % who strongly agree or agree



An interesting development that is expected over the medium term is the growing use of automated and smart systems to run and delivery services on behalf of consumers. We find that already a third of all respondents would be interested in a service that automatically collects data and trades it with brands for the best financial reward, rising to half among Millennials.

The entrepreneurial approach taken towards data exchange 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.

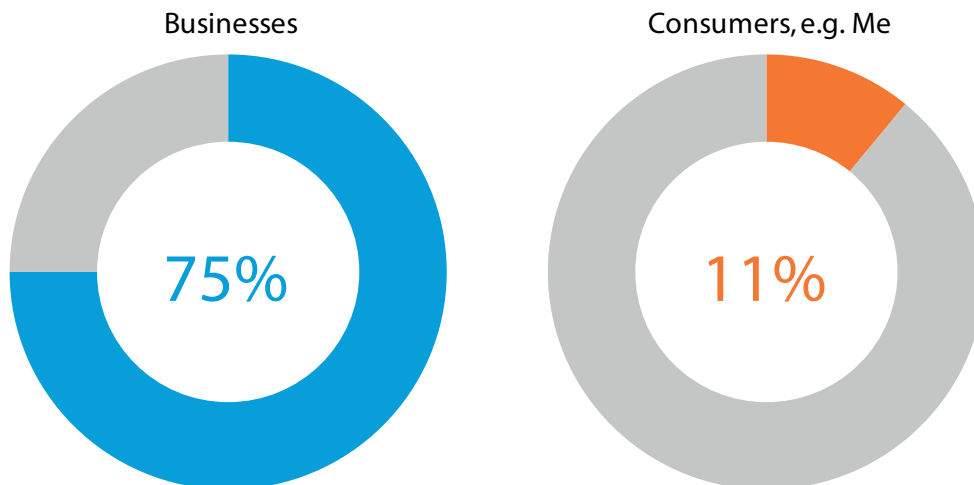
"I would be interested in a service that automatically collects your data and trades it with brands for the best financial reward for you" | % who agree strongly or agree



Addressing the perceived asymmetry between industry and consumers

Today there is still a perceived asymmetry in who benefits the most from data exchanges between brands and consumers. This has been validated by our research, which shows that 75% of respondents think that businesses benefit the most from personal data exchange. In contrast, only 11% believe that consumers currently benefit the most.

"In your opinion, who currently benefits the most from personal data exchange in the US?"

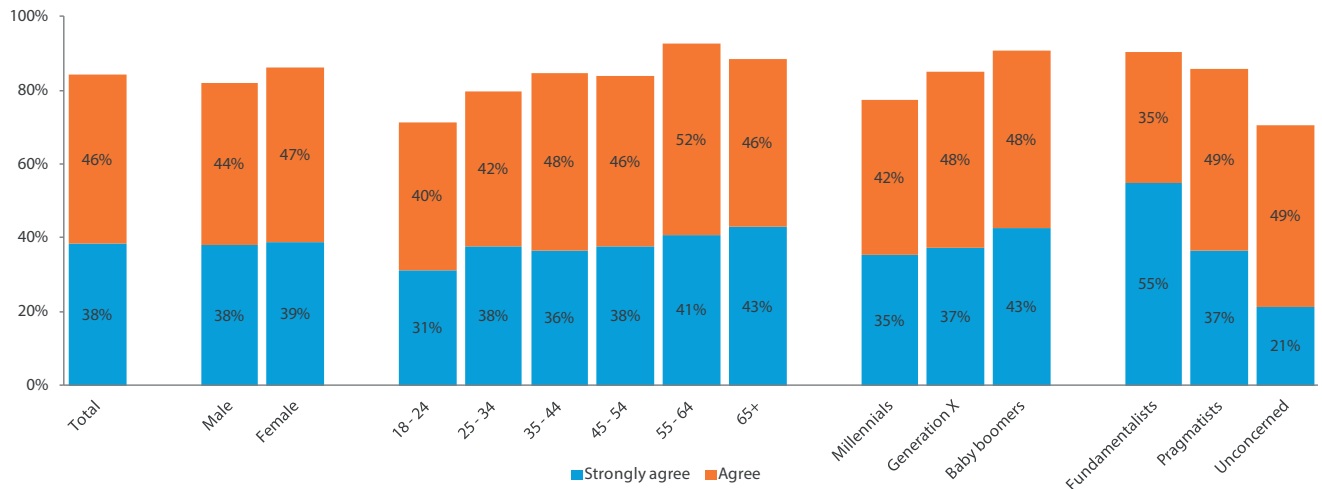


The distribution among younger consumers tells a slightly more positive story: 67% of Millennials think that businesses benefit the most from data exchanges, whereas 19% believe that consumers benefit the most. Despite these encouraging signs for the future, the current perceived imbalance in the digital economy will need to be addressed in order to promote a sustainable value exchange model.

Data control and autonomy are critical for US consumers

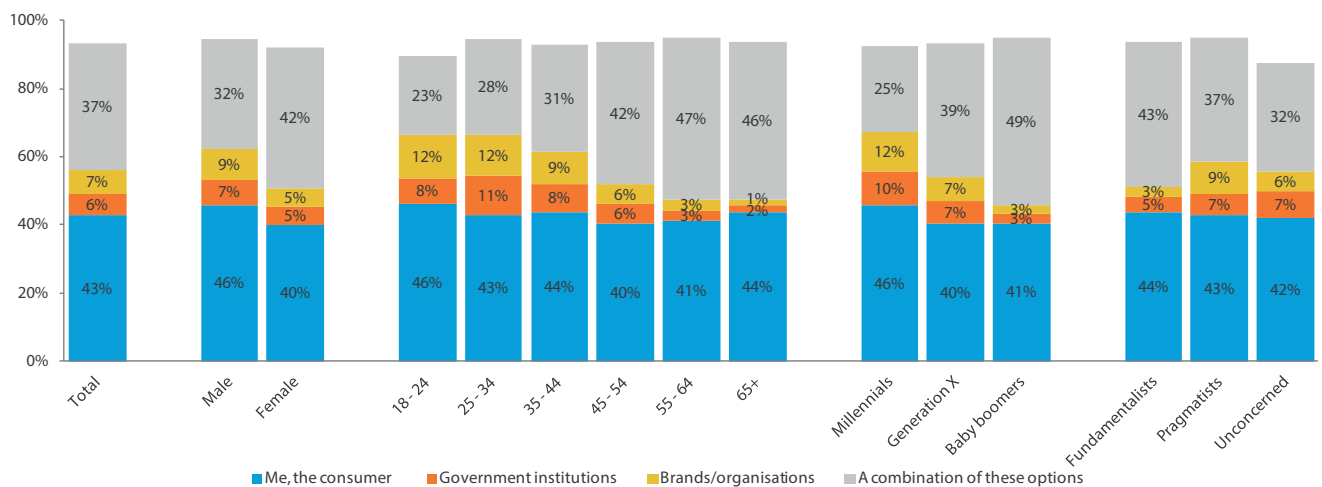
Given the perceived asymmetry between businesses and consumers in regard to data exchange, consumers will aspire to have an elevated sense of control over data sharing and collection. In fact, our research findings indicate that 84% of consumers would like more control over the personal information they give companies and the way in which it is stored.

"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



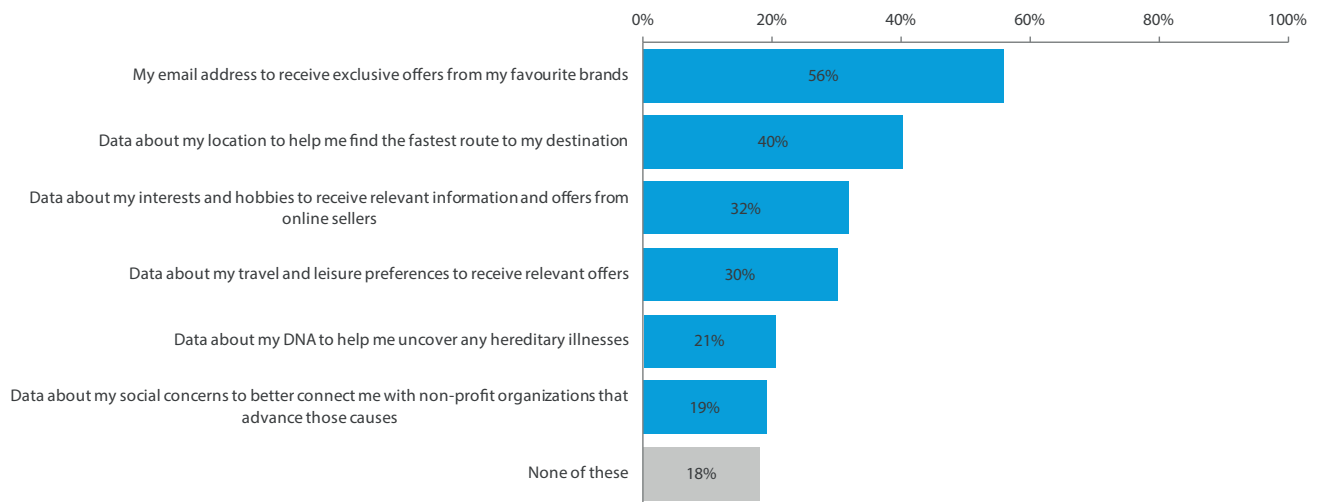
Alongside the desire for more control, the security of personal data is also front of mind for consumers in the United States. As can be seen in the next chart, 43% of respondents believe that they hold ultimate responsibility for their data security. Conversely, only 6% think that government institutions should be responsible in this regard and 7% think that brands / organizations should bear this responsibility. Interestingly, 37% of consumers indicate that ultimate responsibility for data security should be held by a combination of these options.

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



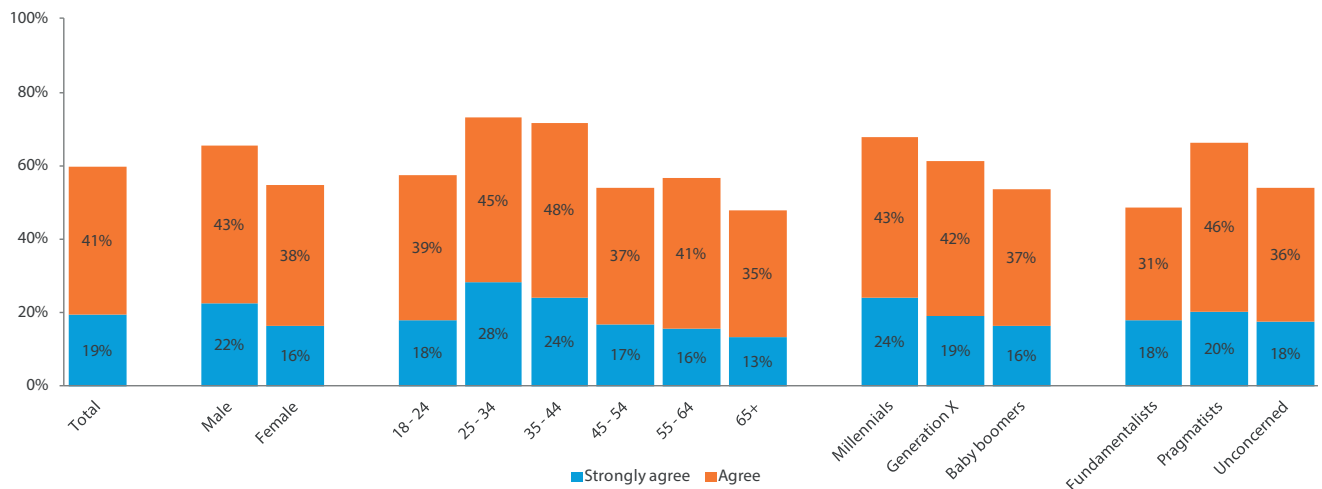
Additionally, the type of personal information that is requested plays a crucial role when it comes to data exchange. Our analysis suggests that over half of consumers would be willing to share their email address to receive exclusive offers from their favorite brands and 40% would be comfortable with sharing data about their location to help them find the fastest route to their destination. On the other hand, when it comes to more private information such as DNA or spending data, consumers are generally less willing to share this information with brands.

“In which of the following instances would you be prepared to share some of your data with a company?”
% who select each option



It is therefore not surprising that 60% of consumers indicate that the more personal or private they find a piece of personal data to share with an organization, the more they expect in return. Respondents in the United States indicate that they consider their financial information, fingerprints and medical history to be the most private pieces of information about themselves.

“The more personal or private I find a piece of data I share with a business/organization, the more I expect in return” | % who strongly agree or agree



Part 3: Promoting a healthy data economy in the USA

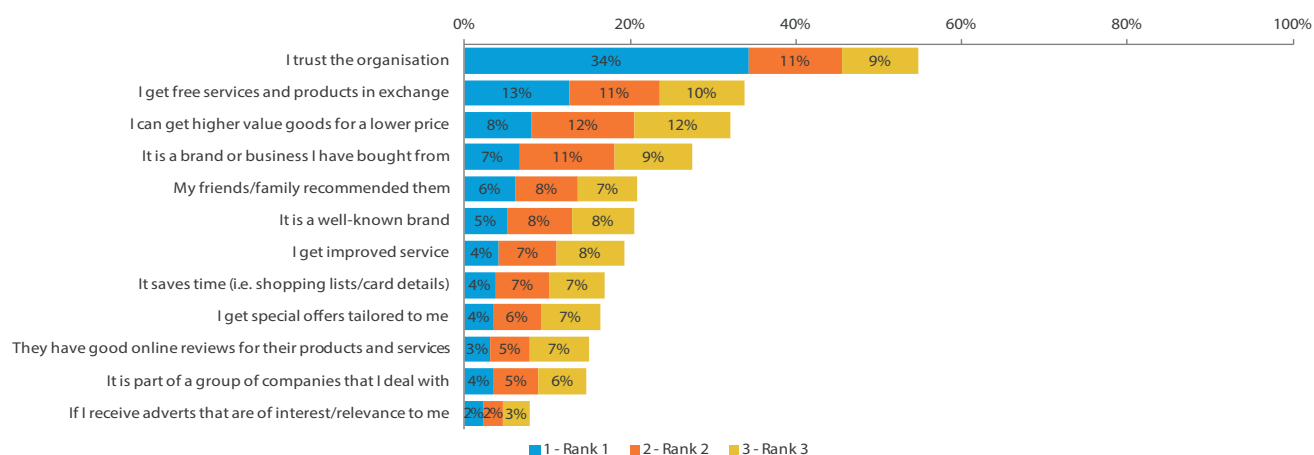
To promote a healthy data economy in the United States, trust and transparency will need to be maintained in order to minimize the aforementioned consumer concerns surrounding online privacy and lack of control over data exchange. Potential benefits derived from sharing personal information should be clearly communicated to consumers in order to establish a sustainable value exchange.

Establishing trust is paramount to developing a sustainable data economy

Trust in an organization is of fundamental importance to American consumers when it comes to sharing personal information and is a crucial element in building a healthy data culture. As illustrated in the chart below, trust in an organization is by far the most important factor for consumers in data exchanges, with 54% of respondents ranking trust in their top three considerations that would make them happy to share their personal data.

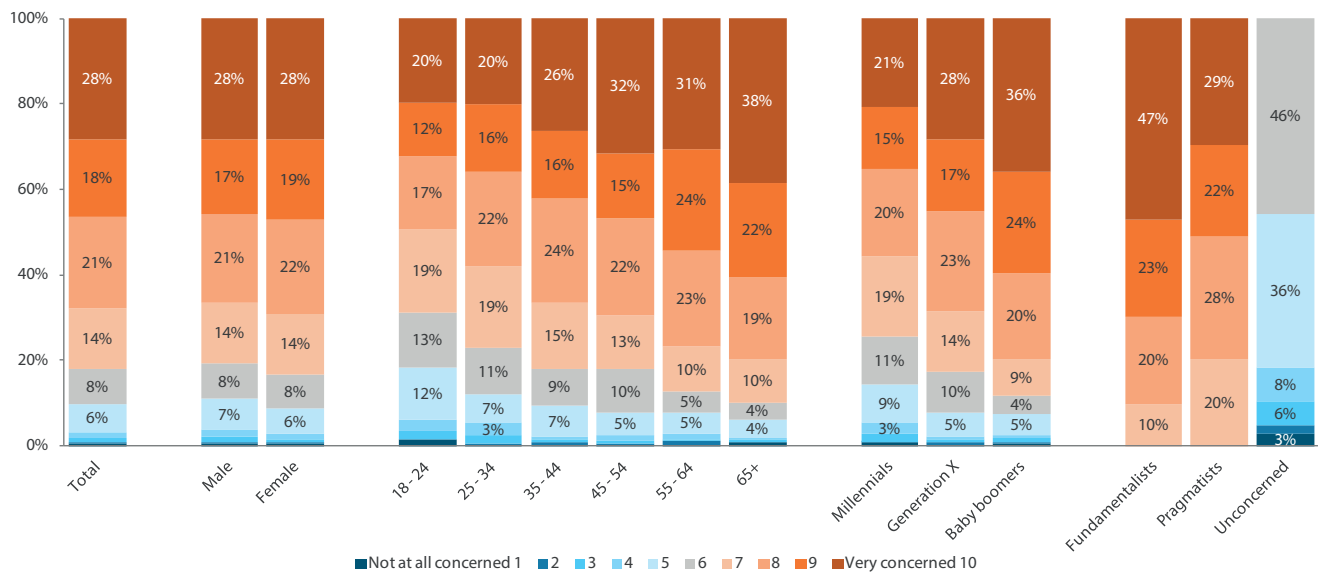
More functional factors such as receiving free services and products in return or getting higher value goods for a lower price are secondary to trust in an organization. Our research findings indicate that around a third of consumers would be happy to share their personal data with a company in exchange for free services and products, and being able to get higher value goods for a lower price.

“Please rank the following in terms of what makes you happy to share your personal information with a company”
Use the scale from 1 to 10 where 1 is ‘trust completely’ and 10 is ‘do not trust at all’
% who rank each option in their top three



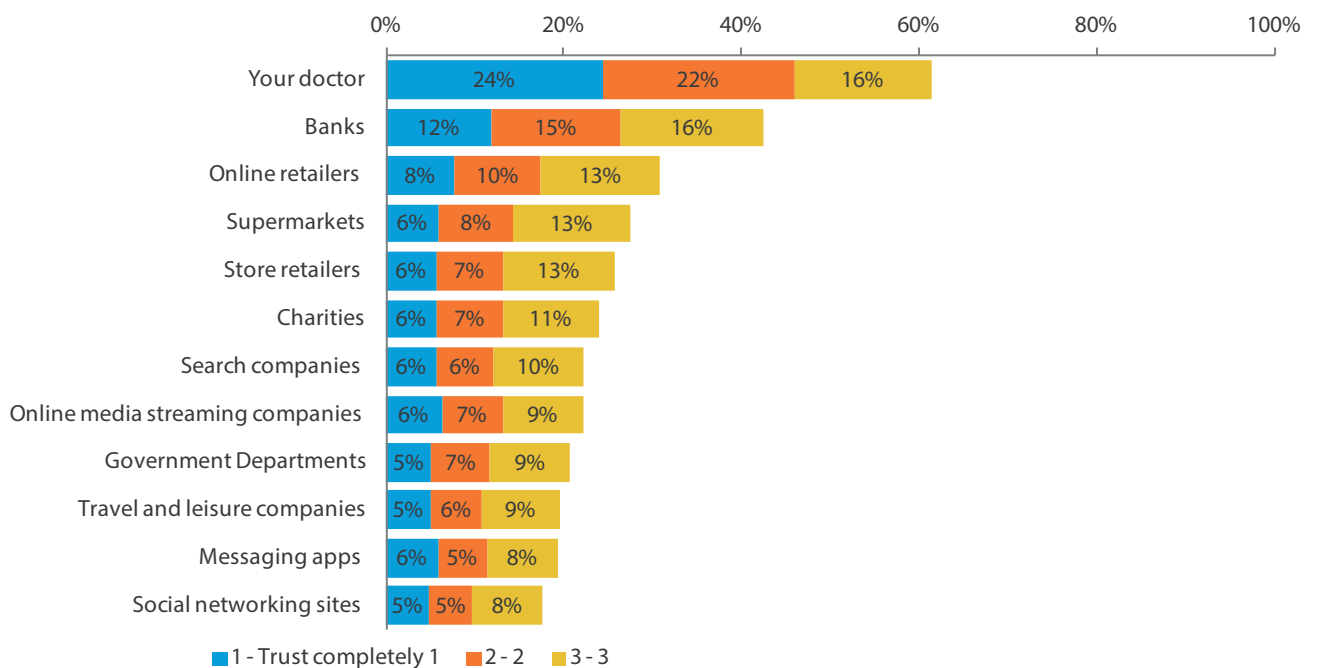
Provided that more than 4 in 5 (82%) American respondents display relatively high levels of concern (7-10 on a scale of 10) about the issue of online privacy these days, establishing trust among consumers will be crucial in promoting a healthy data economy. It should be noted, however, that this sentiment is consistent across markets in our global survey: 77% of Canadian and 75% of Australian consumers display similarly high levels of concern about online privacy.

“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?”

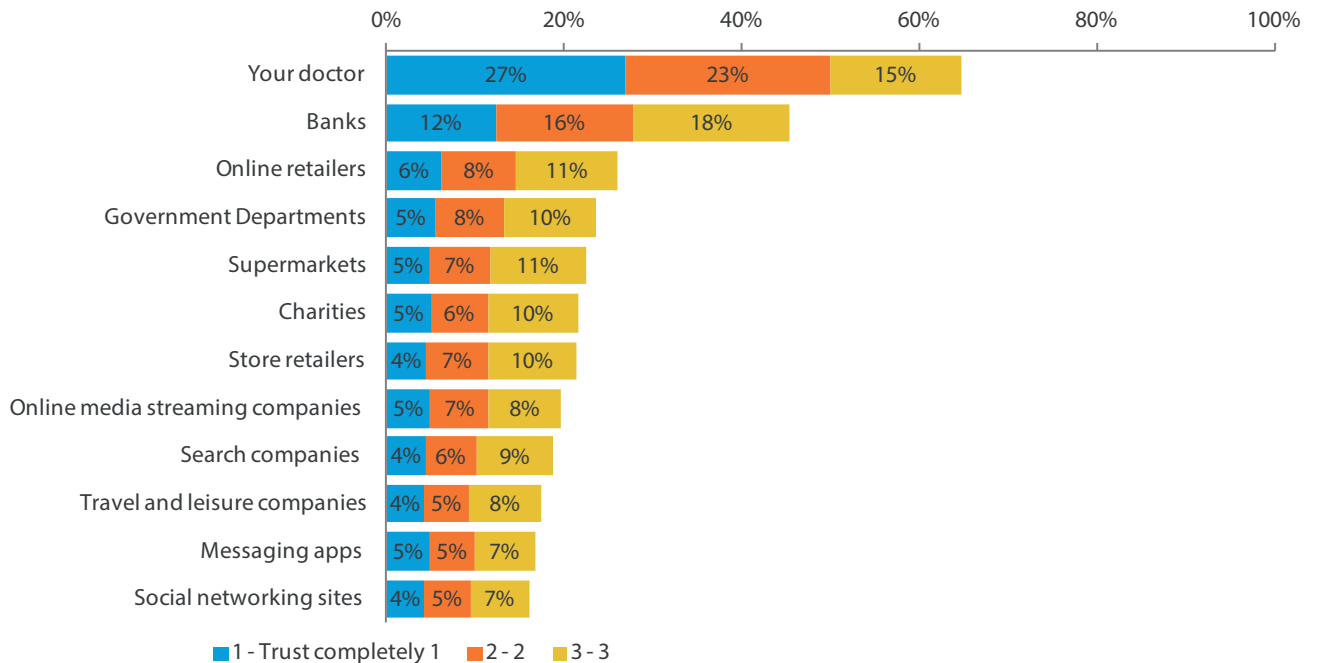


Moreover, we are seeing that trust in an organization in general closely parallels trusting organizations with personal data. Institutions that are trusted most by consumers generally, such as doctors and banks, also appear to be trusted most when it comes to the handling of personal online information.

“How much do you trust each of the following organizations generally? Please use the scale from 1 to 10 where 1 is ‘trust completely’ and 10 is ‘do not trust at all’” | % who trust this organization generally (1-3)



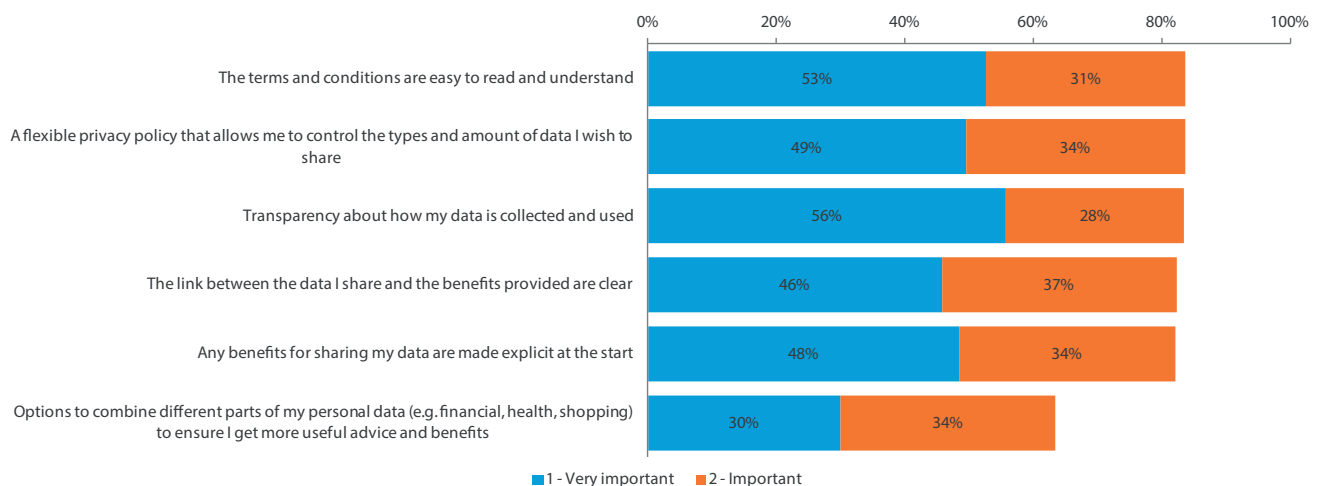
“How much do you trust each of the following organizations with your personal information? Please use the scale from 1 to 10 where 1 is ‘trust completely’ and 10 is ‘do not trust at all’” | % who trust this organization with their personal information (1-3)



Transparency is entrenched as a consumer priority for data exchange

Another foundational factor to promote a healthy data economy comes down to transparency over how and why consumer data is collected. The vast majority of American respondents indicate that the following factors are important in sharing data with organizations.

**“How important are each of the following to you when sharing your personal information with a company?”
% who select each option**



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 information. Once these precursors are in place, there is a growing array of incentives and offer that consumers are looking for when exchanging personal data with brands and organizations.

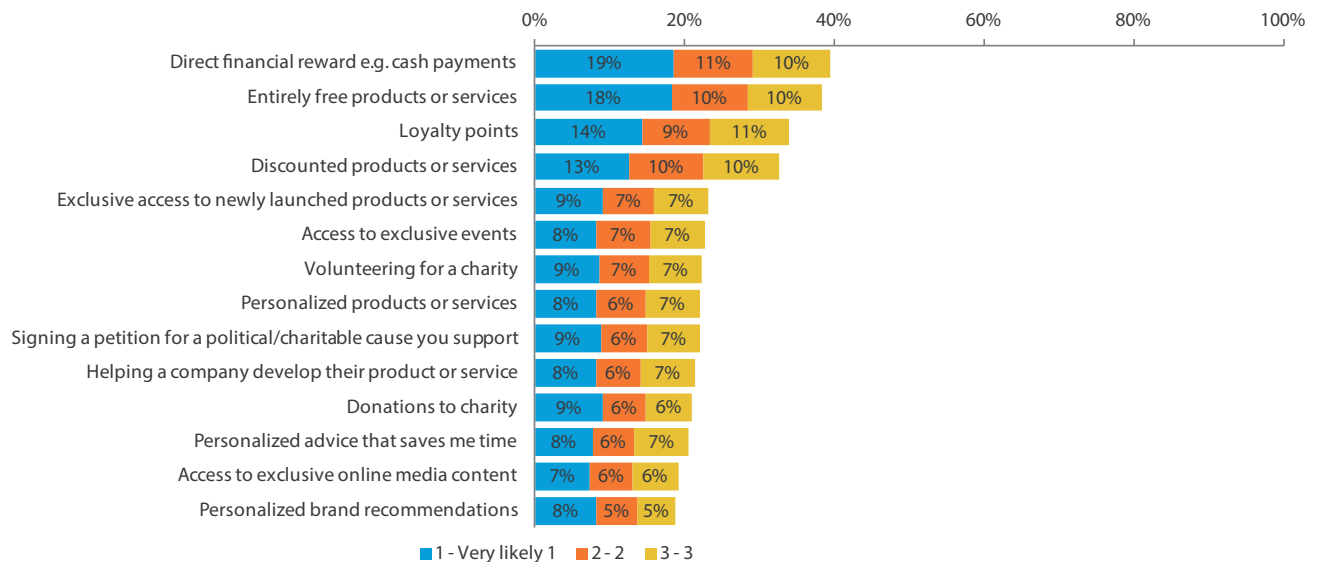
Interest in a range of incentives for personal data beyond simple monetary rewards

Our research analysis shows that direct financial incentives such as cash payments, entirely free products or services, and discounts rank among the top motivations for sharing personal information. In contrast, indirect incentives like personalized products and services, tailored recommendations and exclusive access to content are less likely to make consumers want to engage in data sharing. Nevertheless, our research findings show that consumers are interested in a range of incentives in return for their personal information – both monetary and more indirect services.

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

% who select each option | Please use the scale from 1 to 10 where 1 is ‘very likely’ and 10 is ‘not likely at all’

% who answer 1-3



Overall, we find a mature and pragmatic mindset across the US consumer landscape, providing fertile ground for a healthy data economy. Once consumers are provided with a greater sense of control, trust and transparency in data exchanges, there is a wide range of incentives that brands can employ. However, eliminating the perceived asymmetry between businesses and consumers will be crucial in order to ensure the future prosperity of the data economy in the USA.



Methodology

In November 2017, Foresight Factory conducted, on behalf of the DMA, an online survey of 2,076 respondents aged 18+ exploring public attitudes towards privacy in the United States. 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 US 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.



About Acxiom

Acxiom provides the data foundation for the world's best marketers. We enable people-based marketing everywhere through a simple, open approach to connecting systems and data that drives seamless customer experiences and higher ROI. A leader in identity and ethical data use for more than 48 years, Acxiom helps thousands of clients and partners around the globe work together to create a world where all marketing is relevant. Acxiom is a registered trademark of Acxiom Corporation. For more information, visit www.acxiom.com





About the DMA

Founded in 1917 and driving the data and marketing agenda for a full century, the Data & Marketing Association (DMA) champions deeper consumer engagement and business value through the innovative and responsible use of data-driven marketing. DMA's brand-leading membership is made up of over 1,400 organizations that are today's innovative tech and data firms, marketers, agencies, service providers and media companies. By representing the entire marketing ecosystem – demand side and supply side – and engaging more than 100,000 industry professionals annually, DMA is uniquely positioned to convene and guide the industry to bring win/win solutions to the market and ensure that innovative and disruptive marketing technology and techniques can be quickly applied for ROI.

DMA advances the data-driven marketing industry and serves its members through four principal pillars of leadership: advocating for marketers' ability to responsibly gather and refine detailed data to identify and fulfill customer needs and interests; innovating to bring solutions forward to the data & marketing ecosystem's most vexing challenges; educating today's members of the data & marketing ecosystem to grow and lead marketing organizations in the ever-increasing omnichannel world; and connecting industry participants to stay current, learn best practices and gain access to emerging solutions through & THEN – the largest global event for data-driven marketing – and DMA's portfolio of other live events. For more information, visit www.thedma.org





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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