Thomas Ridley-Siebert
is research manager at the Direct Marketing Association (UK). He is responsible for developing and managing the various strands of research the DMA produces. The DMA has a network of more than 1,000 UK company members who are privy to research, free legal advice, political lobbying and industry guidance. Its members connect at regular events that inspire creativity, innovation, responsible marketing and more.

Keywords: data protection, privacy, permission marketing

Sharing economy

Changing definition of privacy

Awareness and confidence

Direct Marketing Association (UK),
DMA House, 70 Margaret Street,
London W1W 8SS, UK
Tel: +44 (0)20 7291 3300
Fax: +44 (0)20 7291 3301
E-mail: thomas.ridley-siebert@dma.org.uk

Business Intelligence

Data privacy: What the consumer really thinks

Thomas Ridley-Siebert

Received (in revised form): 31st July 2015

Abstract

The Direct Marketing Association has researched consumer attitudes towards privacy, data protection and data exchange in 2012 and 2015. This article presents findings from the most recent research wave, together with trend analysis comparing the current with the previous report. It finds that consumers show a growing acceptance of the need to exchange their personal information in return for access to services. *Journal of Direct, Data and Digital Marketing Practice* (2015) **17**, 30–35. doi:10.1057/dddmp.2015.40

Background

In 2012, the DMA carried out research into consumer attitudes towards privacy, data protection, awareness and controls over the use of their personal information. Since that report was published, a myriad of facts have shaped the privacy landscape within which individual views on data exchange have evolved. These include the emergence of social sharing of media content, concerns about ‘oversharing’ on social networks, and even the birth of a ‘sharing economy’ putting untapped private resources into the marketplace. Sharing is at the centre of the professional, financial and commercial lives of millions of Britons.

This report explores these issues alongside other critical factors, such as who ‘owns’ personal data, what value that data has and how consumers seek to maximize the value they get during data exchange. A notable finding from the 2015 research is that there is no mass retreat from the growing data market — nearly three-quarters of respondents say their definition of privacy is in fact changing due to the internet and social media. Consumers are increasingly comfortable with sharing their data for commercial and marketing purposes, at the same time as they recognize distinctions between this aspect of the data economy and the headline-grabbing uses for national security.

A surprising number of consumers in the United Kingdom claim awareness of the European Union’s proposed new Data Protection Regulation, suggesting awareness of and confidence in the new data sharing economy. There has been a maturity in terms of the framework that protects consumer rights and the sense of empowerment that consumers feel. This is visible in many of the trends seen when comparing consumer attitudes in 2012 to those in 2015.

**Nationally
representative sample**

The survey was carried out as an online survey in May 2015 among 1,000 UK consumers by Future Foundation on behalf of the DMA, in partnership with Acxiom. The research sample was nationally representative for age and gender and also met quotas for region and social grade. Results were independently analysed by the Future Foundation.

**Significant shift in
attitudes****The decline of the fundamentalist**

In the 2012 DMA/Future Foundation report, a segmentation was created of respondents based on their attitudes towards privacy and data exchange. The three groups identified were:

- *Pragmatists*: Those who will make trade-offs on a case-by case basis as to whether the service or enhancement of service is worth the information requested. In 2012, this group made up a small majority of consumers, at 53 per cent, and the proportion remains almost the same in 2015, at 54 per cent
- *Fundamentalists*: Those who are unwilling to provide information even in return for service enhancement. In 2012, 31 per cent of consumers gave this response, but by 2015 the proportion had fallen to 24 per cent
- *Unconcerned*: Those who are unconcerned about the collection and use of personal information about them. In 2012, this was a relatively small group at just 16 per cent, but this has risen to 22 per cent — almost the same proportion as Fundamentalists who hold the diametrically opposing view.

**From ideological to
functional concerns**

These trends suggest there is a steady migration of attitudes towards a position of general acceptance. What is less clear is whether this is driven by a proactive new enthusiasm for data exchange or a reluctant acceptance that doing so is simply part of modern life. The findings in the report show that the primary grievances consumers have about the sharing of their personal data are evolving from ideological objections to more functional concerns, from not wanting to share data out of principle to not wanting to share data because the benefits of doing so are not clear. (Figure 1)

The Pragmatists

Data pragmatists indicate a case-by-case willingness to exchange reasonable amounts of personal information in exchange for better services. While the number of pragmatists in the population has shown little change since 2012, there has been a significant shift in the gender balance: in 2012, 52 per cent of women were pragmatists compared with 48 per cent of men; in 2015, 55 per cent of women were pragmatists and 53 per cent of men. There is also now an equal distribution of pragmatists across all age groups, at around 54 per cent, whereas in 2012 more 18–24-year-olds had this attitude.

The Fundamentalists

Data fundamentalists are consumers who are unwilling to exchange personal information, regardless of any enhanced service they may receive in return. The number of consumers in this group has declined considerably since 2012, from nearly one-third to one-quarter of

Figure 1: Changing consumer attitudes to data sharing 2015 versus 2012

respondents. A similar drop has happened across all age groups, with 18–24-year-olds still the least likely to hold this attitude. This segment is no longer dominated by individuals who are cautious about technology. Instead, the unwillingness to exchange personal information is a social trend, albeit one with waning support.

The Unconcerned

This is the fastest-growing segment in the United Kingdom, with 6 per cent more consumers no longer concerned about the collection and use of their personal information in 2015 compared with 2012. The 18–24-year-old age group make up the largest proportion of this segment — 30 per cent of consumers in this age group are unconcerned — compared with 12 per cent of 55–64-year-olds and 16 per cent of over-65s. This group is most likely to be defined by its age and social grade, rather than gender, region or technology ownership.

Society, economy and data exchange

Smooth running of society

Consumers indicated a decrease in concerns about privacy and a growing sense of ease with the notion of sharing some data with companies across the survey. Half of consumers (49 per cent) say they are now more comfortable with data exchange than before (see Figure 2), rising to six out of ten in the 18–24-year-old age group. This undoubtedly reflects a growing acceptance that the exchange of personal information is essential for the smooth running of modern society — while 38 per cent agreed with this in 2012, this leapt to 47 per cent in 2015. Much of this growth is driven by 35–54-year-olds who are growing more comfortable with the value of modern data exchange than in the past.

Part of the modern economy

Even more striking is the proportion of people in the United Kingdom who believe that sharing data and personal information is simply part of the modern economy. Over seven out of ten consumers agree with this statement, and this majority is visible across gender, age, social class and technology adoption. Consumers have accepted the fact that sharing personal information online is simply part of the modern digital economy,

Figure 2: Comfort with data exchange 'I feel more comfortable with the idea of exchanging some personal data with companies than I did previously'

especially if they want to buy things — the proportion agreeing that this is the case has risen from 65 per cent in 2012 to 73 per cent in 2015.

Data protection and controls

Awareness of data collection

Growing acceptance of the role and value of data exchange in modern society may reflect the evidence of growing awareness of how and why data is collected. Two-thirds of consumers agree or strongly agree that they are more aware of this now than in the past. Interestingly, data fundamentalists are the least likely to agree, suggesting that a lack of awareness is a core driver in shaping their unease about the sharing of personal information.

Awareness of legislation

A further indication of increased awareness of data and privacy issues in the United Kingdom is the surprisingly high number of consumers (46 per cent) who say they are aware of the new draft EU General Data Protection Regulation (see Figure 3). Growing numbers are also aware of specific new safeguards introduced by European Court decisions. For example, half of people in the United Kingdom now claim to be aware of the 'right to be forgotten' ruling.

Consent, trust and value

Progressive culture of data exchange

Trust is an essential consideration for consumers when thinking about data sharing — 40 per cent say it is the most important factor when deciding which companies to share their personal information with, four times more than any other factor involved. Trust can also be viewed as a catch-all for many of the essential hygiene factors and incentives that are also part of the transactional exchange between companies and consumers. It appears that trust in the data economy will be best built by brands that develop thorough and flexible privacy safeguards, which offer strong incentives and place increasing amounts of control in the hands of consumers. Consumers are interested in creating a progressive culture of data exchange and brands need to capitalise on these positive trends.

Figure 3: Aware of new EU data protection regulation 'I am aware of new data protection regulations recently introduced by the European Union'

Consumer Capital

Providing that certain hygiene measures are in place and that attractive, reasonable and personal incentives are offered to consumers, the research indicates that consumers are becoming more suggestible to a data exchange that reflects personal information as a commodity, or 'Consumer Capital', which can be collected and traded to the benefit of the individual. Since 2012, the number of consumers who say they see their personal information as a way to command better deals from companies has increased from 40 to 52 per cent in 2015. Furthermore, over 80 per cent agree that 'my data is my property and I should be able to trade it if I like'.

Asymmetrical value exchange

Currently, there is a perceived asymmetry in data exchange in terms of who benefits the most from the relationship between brands and consumers, with 80 per cent of respondents claiming that businesses benefit the most from data sharing and just 8 per cent stating that consumers benefit the most. There is a group of 10 per cent who strongly agree that personal information is their own asset — within this group, 14 per cent see themselves as the main beneficiaries in data exchange, twice the level across the sample as a whole. Among 18–24-year-olds, 23 per cent view themselves as gaining the most benefit.

Tangible benefits

It has been argued that the cost to consumers of using free online resources — their personal data — is implicit. The research shows that many consumers are indeed aware of what is at stake in agreements of this kind, and understand their use of free online resources to come with a tacit consent for brands to use their data. We suggest that, if consumers understand the data sharing practices of brands, then they will be receptive to more up-front propositions when it comes to their data. Interestingly, 63 per cent of consumers agree that they expect stronger incentives for their data, based on how personal or private such information is deemed to be (see Figure 4). When it comes to data incentives, free online content is but one of a range of deployments brands can use — for example, consumers may share in order to benefit from personalized products, services and pricing, to gain access to powerful analytics, or to receive

Figure 4: Expectations in data value exchange 'The more personal or private I find a piece of data I share with a business/organisation, the more I expect in return'

enriched/aggregated data in return. They may even demand direct monetary remuneration for the use of their data. It is interesting for marketers to note that personalized messages and exclusive access to online content scored lower than more direct and tangible benefits. Brands should consider how they help make the link in the consumers' minds between the benefit delivered and the data used to enable this.

(The full report, 'Data privacy 2015: What the consumer really thinks', is available for download here: <http://www.dma.org.uk/research/data-privacy-2015-what-the-consumer-really-thinks>)