

DDMA Privacy Monitor 2016

WHAT
CONSUMERS
CURRENTLY
THINK ABOUT
DATA

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Introduction

The availability of data changes our lives. From booking a taxi, looking for accommodation or listening to music. Companies such as Uber and AirBnB don't have traditional assets, but data. The data-driven economy creates value and economic growth. We have to understand that this economy is driven by consumers. They are buyers and assets. Their data feature on the company's balance sheet.

The future has more in stock: smart sensors, smart cities, self-driving cars and machine learning. The possibilities have not been fully developed yet. The debate about the possibilities of data use and how we want to structure our society remains necessary. With this research DDMA contributes to this debate by mapping consumers' attitudes towards sharing their personal data.

The report shows that trust is the crucial factor in the willingness to share data. Brands that are successful in the information era, are those that put trust at the heart of their value proposition. Respect for privacy is inextricably linked to this. Brands need to embed privacy and data security in their organisational culture.

This was an important reason for DDMA to introduce the Privacy Seal in 2010. With this hallmark companies show that they are open and honest about their privacy policy. And that they, as organisations, will handle personal data for advertising with integrity.

Those who adopt the Privacy Seal promise:

- Clear information: we actively, clearly and fully inform which data are being recorded, and what they are used for
- Respect for privacy rights: we inform consumers about their rights of access, correction and opposition and we respect their requests.
- Limited use: we only use data for the objectives we informed consumers about
- Permission: we ask permission for online marketing

The report shows that consumers are increasingly aware of the value of their data and are willing to exchange their data for certain benefits. If companies want to fully exploit the potential of data they will have to deal with consumers respectfully. Only with mutual trust can our digital economy become a success.

Diana Janssen
Director general DDMA

Management Summary

This DDMA research contributes to the social debate on privacy. We investigate which internal and external factors influence this concept. We point out the implications for organisations' data propositions and for public education and policy in the field of privacy and data collection. Consumers think differently about data sharing. To stimulate the data economy, government and organisations should anticipate this when developing policies and data strategies.

Differentiate between target groups

The research distinguishes three basic attitudes towards data sharing. This takes into account concerns about data sharing and the willingness to share data. If someone is relatively concerned, but also relatively willing to share data, this person will be classified a Pragmatist. If someone is relatively concerned and does not or minimally share his data, that person is a Fundamentalist. And if someone is not very concerned, he will be called an Unconcerned. The division in the Netherlands between the three archetypes is as follows:

- 34% are Pragmatist
- 28% are Fundamentalist
- 38% are Unconcerned

Consumers under 35 are more often Pragmatist or Unconcerned, while consumers over 35 are more often Fundamentalists. The digital native of between 25 and 34 is less concerned about his privacy and has a greater sense of control in issues like information gathering and the right to be forgotten, or the choice of certain benefits in exchange for data.

The existence of these target groups illustrates that the privacy debate is not black-and-white. Consumers want to decide to what extent they participate in the data economy. A one-size-fits-all approach does not do this justice. Governments should gear their policies towards this. Organisations should facilitate choice and control in their data strategies. Is a particular target group fundamentalist towards sharing data or Pragmatist? For Fundamentalists it is better to establish a paid option of a 'free' news service, which does not entail targeted advertising. For Pragmatists and Unconcerned however, this would not be the best approach.

Show how data sharing improves service delivery

For organisations the most important take-away is, that consumers accept data exchange as part of the modern economy, but do not feel they benefit most from this. 75% of consumers are willing to share data, but 89% of them state that business currently benefits most. This renders a data economy far from sustainable.

The majority of Dutch respondents say they expect organisations to collect data to improve service. For instance, two-thirds of consumers think recognition by websites based on previous visits is part of the internet, or find this to be time-saving. Organisations have to take up the challenge and show more clearly how data improves their services, generates lower prices or better content. Companies with a valuable and transparent data proposition will ultimately win the race for the goodwill of consumers.

Invest in privacy education

Consumers play a special role in the data economy. They feel the exchange in the data economy is not optimal for them, but do not (yet) adapt their behaviour. They do not trust social media companies, but are grand users of social media (less so the Fundamentalists). This phenomenon is called the Privacy Paradox; consumers share their data with companies they don't trust. There are a number of explanations for this. Market imperfections may play a role. There are relatively few alternatives for well-used online services, such as social media, search engines, smartphones and browsers.

Another explanation for the Privacy Paradox is a lack of digital competencies. This mostly occurs in people over 35. To a large group of people it is not clear which data are used for which ends by organisations. This makes them relatively clueless about the way data sharing impacts their privacy. This lack of knowledge and control influences the capacities of people to rationally decide on privacy issues. Do I want a loyalty card; do I post an embarrassing picture etc.? 82% of consumers in this research would like more control over data collection. New rules and regulations do not seem to be helpful, as consumers are not aware of their rights and options under the current privacy laws. Companies should actively engage and give consumers more sense of control and autonomy by working with a dashboard or a 'my space', for instance.

1 The Pragmatist, Fundamentalist and Unconcerned

1.1 A segmented approach to privacy

One of the ongoing challenges in the research of consumers' attitudes towards data sharing and their views on privacy is formulating a workable definition. Privacy is a dynamic concept. It is historically and culturally determined. Attitudes towards privacy will differ strongly between individuals and contexts wherein information is requested. This highlights the importance of developing consumer segmentation as a foundation for clear analysis.

This DDMA research builds on the work of the American privacy academic Westin from the '90', which has been adopted by the Henley Centre Dataculture 2000 (1995) and has been used for similar privacy research commissioned by the DMA UK in 2012 and 2015. The segmentation contributes to the social debate by interpreting nuances. People are not black-and-white in their thinking about privacy. With this research DDMA also aims to point out what the implications of a dynamic privacy concept are for the way companies organise their data proposition.

1.2 Attitudes towards sharing personal data

This research distinguishes consumers based on their attitudes towards sharing data. For this segmentation the concerns about sharing data and the willingness to share data are taken into account. If someone is relatively concerned, but still relatively willing to share data, this person will be classified a Pragmatist. If someone is relatively concerned and does not or minimally share his data, he will be called a Fundamentalist. And if someone is not very concerned, he will be considered an Unconcerned.

¹ Westin, Privacy On & Off the Internet: What Consumers Want, 2001

The Pragmatist

The privacy Pragmatists are consumers who are willing to exchange a reasonable amount of personal data for better services. This group comprises of 34% of the population.

- 49% of the Pragmatists are male, 51% are female.
- 30% are between 18-34 years of age.
- 70% are 35 years or older.

The Fundamentalist

The privacy Fundamentalist does not want to exchange personal data for better services. 28% of respondents belong to this group. Unlike the Pragmatists, there is a clear discrepancy in age distribution. The Fundamentalist is often older:

- 42% are between 35-54 years of age.
- 37% are over 55.

The Unconcerned

This group of respondents does not worry about the fact that personal data are being collected and used. They believe this is part of the modern data-driven world. 38% of respondents belong to this group. That makes this group Unconcerned relatively largest in this population. There is not much difference in distribution of gender, age or level of education.

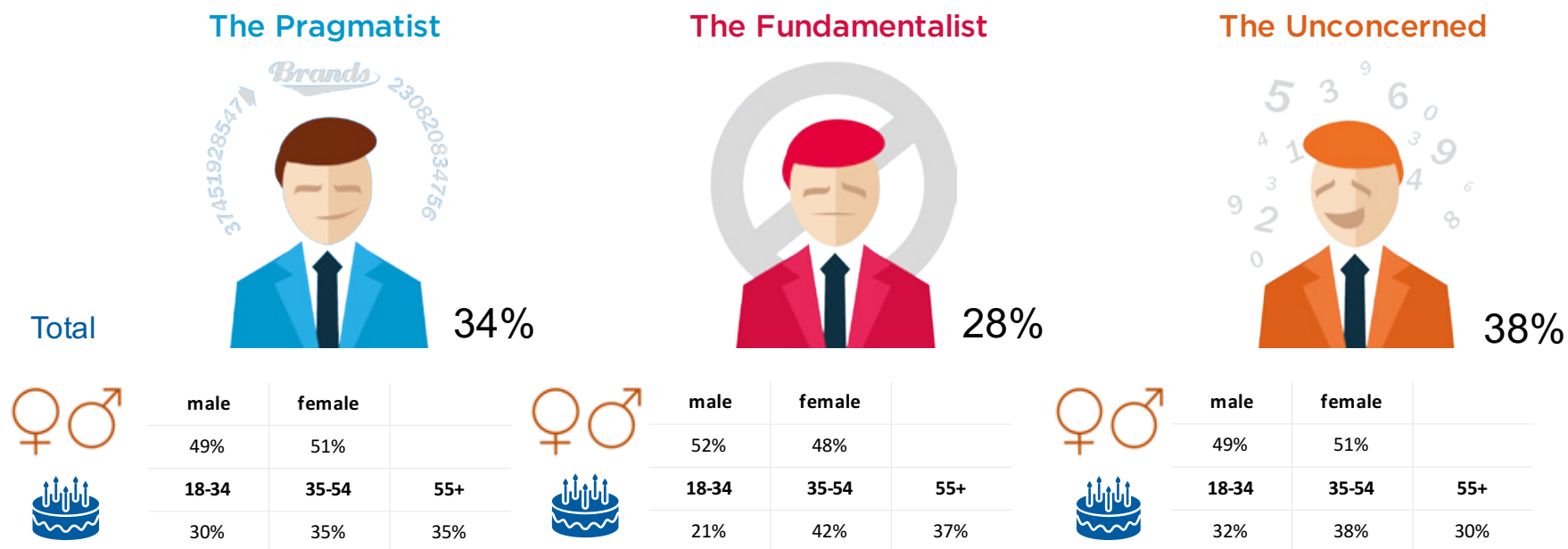
The three segments show no large differences in gender or level of education, but they do in age. Consumers under 35 are more often 'Pragmatists' or 'Unconcerned', while consumers over 35 are more often 'Fundamentalists'. The fact that youth find sharing data less problematic (are less fundamentalist), may be related to the fact that this group

is used to being online a lot. The group of youth born after 1984 has grown up with internet, search and mobile and is therefore also called digital native. Digital natives score higher in smartphone and laptop ownership: the younger the respondent, the more likely one of these instruments is in their possession. For instance, 94% of 18-24 year olds own a smartphone, as opposed to 54% of those over 65.

NL - UK
 When we compare the categorisation of attitudes towards data sharing with the results of this privacy research done in the UK in 2015, a number of things stand out. While in the Netherlands the Unconcerned form the largest part of the population, they represent the smallest group in the UK. Here, the privacy Pragmatists are represented best, counting 54% of the population. The population of Fundamentalists is more or less equal in both countries.

- 54% are Pragmatists
- 24% are Fundamentalists
- 22% are Unconcerned

Segmentation



2. A dynamic concept of privacy

2.1 A changing concept of privacy

In this research we define three basic attitudes towards data sharing, and then we see important differences in perception between generations and countries when we compare the results with similar research done last year in the United Kingdom.

In this research the Dutch indicate that their privacy concept changes, influenced by the digital revolution and the availability of online media.

63%

of respondents indicate that their definition of privacy has changed due to internet and social media.

47%

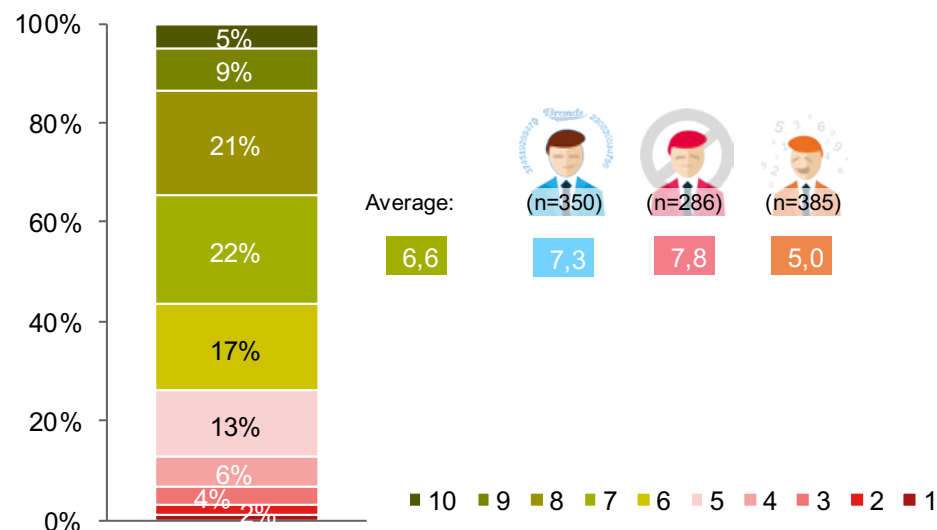
of respondents indicate that, since they've been active on social media, their opinion on what is private and what is public information has changed.

2.2 The Dutch are attached to their privacy

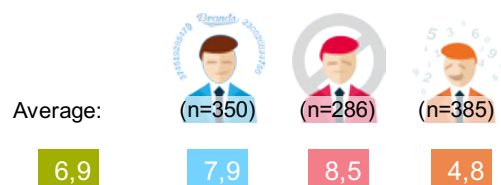
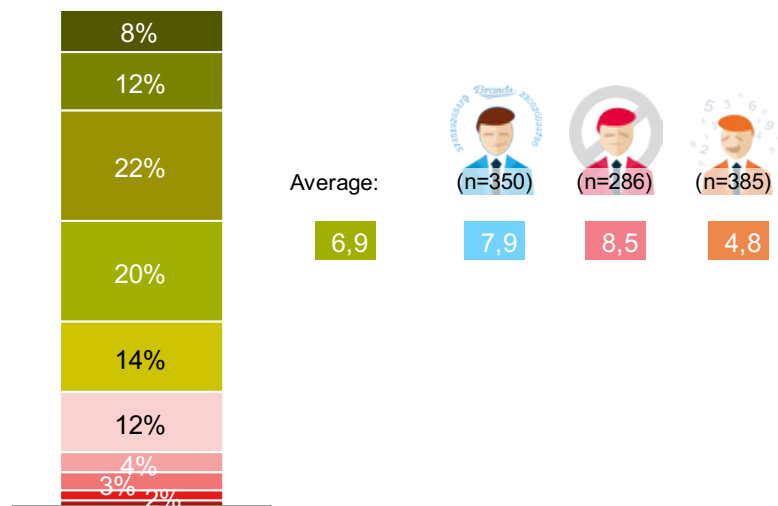
In spite of, or perhaps because of, a changing privacy concept, privacy is a phenomenon the Dutch are well aware of. On a scale of 1-10, with 1 representing "totally unconcerned" and 10 "very concerned", respondents are concerned about their online privacy (6,9) and privacy in general (6,6). In addition, 69% of respondents indicate that they are more concerned about their privacy than five years ago.

Privacy Fundamentalists are very concerned about both their online privacy (8,5) and their privacy in general (7,8). Pragmatists are also relatively concerned (general 7,3 / online 7,9). The Unconcerned score lower than average and are, as the name indicates, not very concerned about their general or online privacy (respectively 5,0 and 4,8). Interestingly, the unconcerned consumer is less concerned about his online privacy than his general privacy. Unlike the Fundamentalist and Pragmatist, who are more concerned about their online privacy.

Concerned about privacy in general



Concerned about online privacy



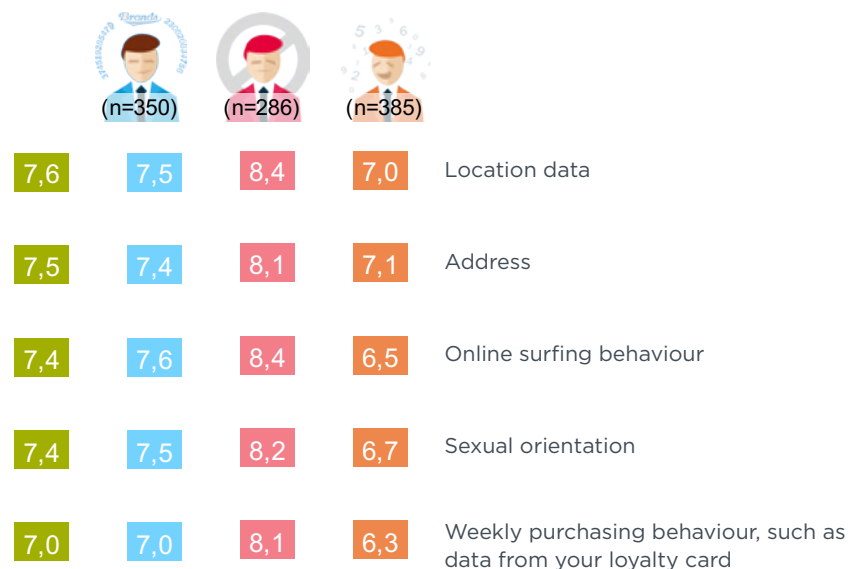
When we look at distribution in age, the young digital native between 25 and 34 is relatively least concerned about his privacy (general 6,0 / online 6,6). The research also shows that those aged 18-34 have a greater sense of control over issues of information gathering, the right to be forgotten or choosing certain benefits in exchange for data.

This is probably due to the fact that this generation is familiar with online and ICT. Furthermore, youth seem to have a different view on which information is private or not. Youth up to 35 find data like date of birth, IP-address, ethnicity, medical records, financial records, marital status, health records and consumer data less often very private or personal than older people (>35).

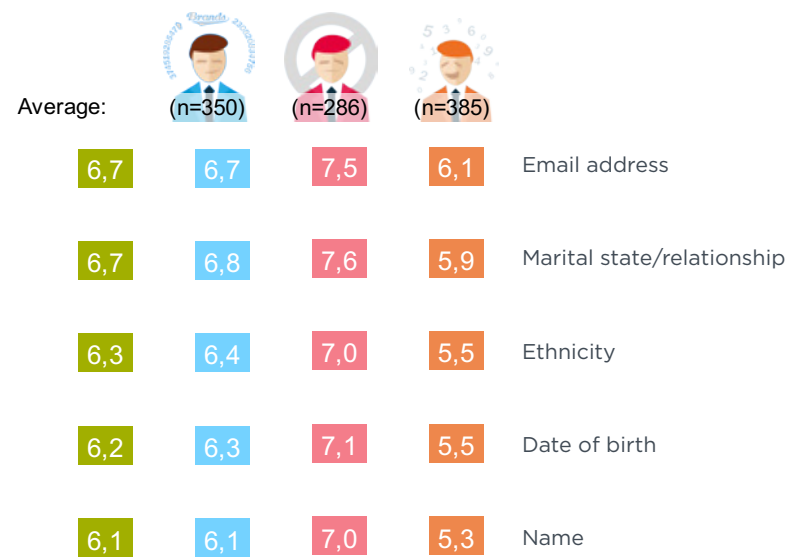
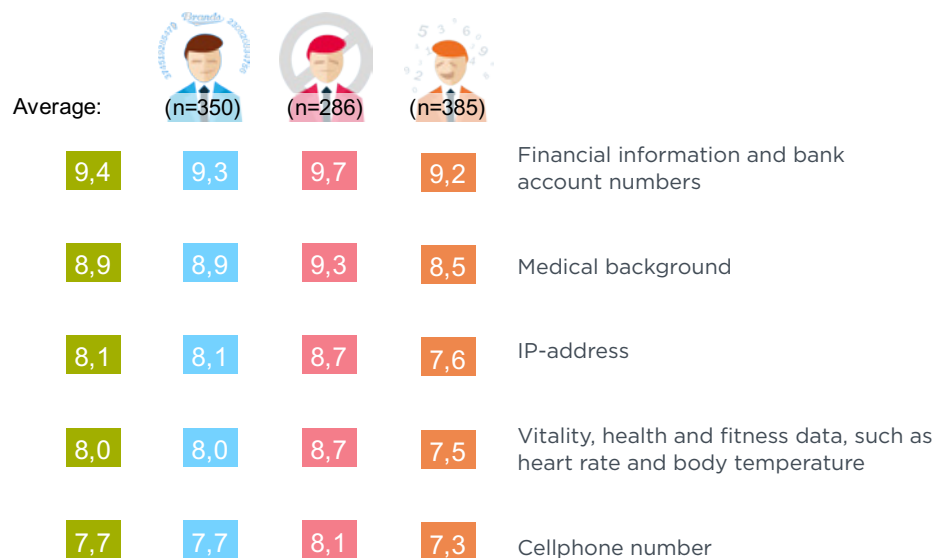
The question is whether the digital natives, as they get older, will start to think differently about their privacy. We cannot establish if this effect will indeed happen over time. It is however clear that youth find protecting their personal data somewhat less important and feel more comfortable sharing their data.

2.3 Sensitive data

In general, consumers find their financial and medical information the most privacy sensitive. The least privacy sensitive are considered name, date of birth, ethnicity, marital status and email address. It is interesting that consumers include ethnicity in this list. This piece of information has been given special status in privacy laws and is specifically protected. Research by the University of Alabama from 2012 into sharing of personal data with online services shows that consumers are less likely to share sensitive data, than data they consider less private or personal.² Sharing sensitive information is considered high-risk and therefore consumers are less likely to do so. More information on the use of this data and proper control mechanisms can increase that willingness, but only if consumers actually receive better services in return, the researchers state.



² Mothersbough et al, Disclosure Antecedents in an Online Service Context, 2012

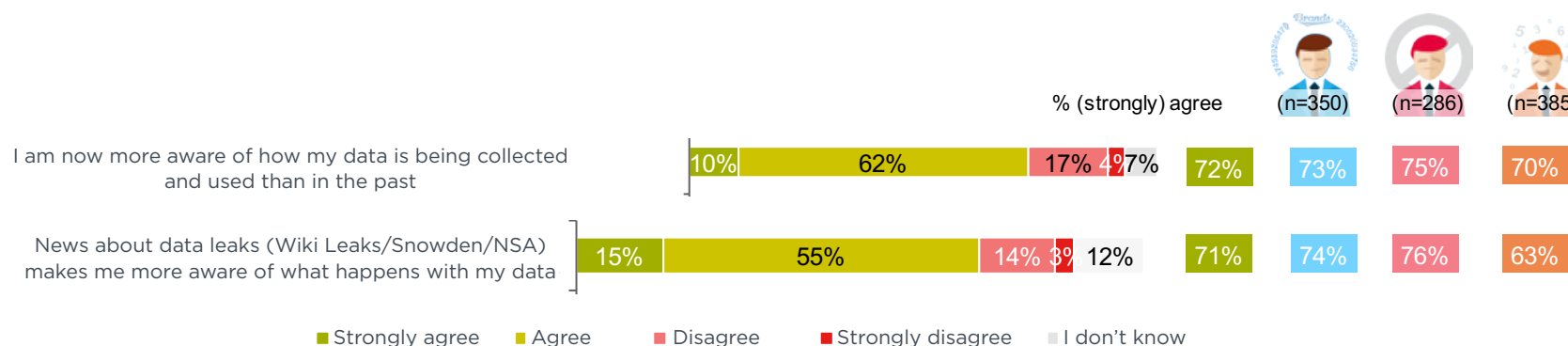


2.4 Growing public awareness on data collection

The digital revolution has transformed the relationship between consumers and industry. The average Dutch person has access to an endless amount of information on the internet that helps him to make optimal decisions. Price comparisons, online reviews and online retail have widened and deepened choice options. Social media offers consumers options for feedback to brands and for public shaming if brands are

misleading or violate privacy. The possibilities for information sharing assist consumer emancipation.

In this research we see an increase in public awareness about data collection. 7 out of 10 consumers indicate being more aware their data is being collected than in the past. A similar number say that recent news about data leaks, Snowden and the NSA or Wiki Leaks led to a greater awareness of what happens with their data.

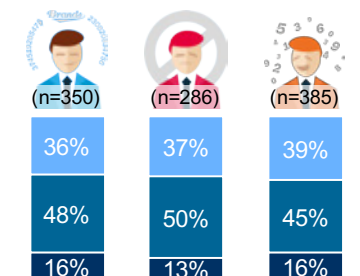
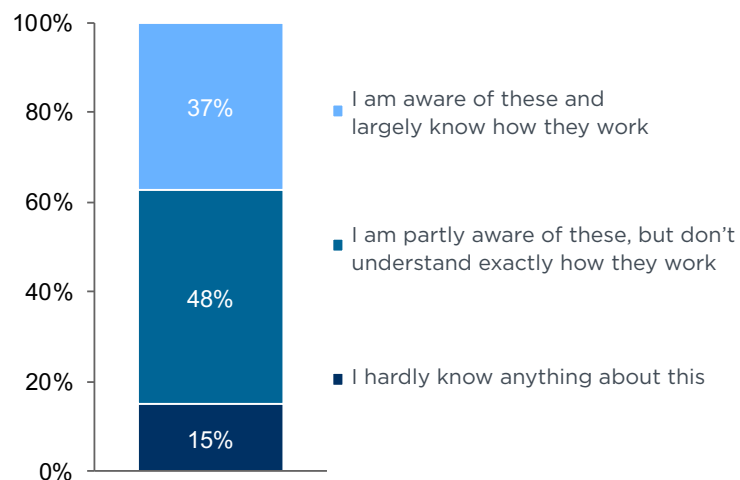


The Dutch cookie laws seem to have led to an increased awareness among consumers of their online privacy and of keeping track of surfing behaviour:

85%

of consumers are (partly) aware of the techniques that organisations use to measure online surfing behaviour and preferences.

Awareness of data measurement techniques



Develop differentiated privacy settings

We see that the privacy concept is changing and dependent on various (intrinsic and external) factors. That is an important realisation, because it implies that a one-size-fits-all privacy regulation does not take the sentiments of citizens into account fully enough. Organisations are wise to find out who their target groups are. Is the target group older, then they will be more fundamentalist towards data sharing. Companies can facilitate target groups by offering them differentiated privacy settings. Policy-makers will have to realise that citizens do not think black-and-white. Therefore policy should be geared towards increasing choice and transparency. It will be interesting to see, in follow-up research, what consumers find important in the choice to share data. Is it problematic that organisations collect data per se, or does the context in which the data is being used,

NL - UK

When we compare the attitudes of Dutch consumers with those of British consumers, a number of things stand out. When we look at concerns about privacy we see a similar image in the UK and in the Netherlands. In the UK 79% of respondents report being concerned about online privacy. There is also a growing public awareness in the UK. As in the Netherlands, 70% of consumers say they are more aware of how their data is being collected and used, than in the past.

3. Data in commerce

3.1 Data as exchange tool

The growing awareness about data collection seems to translate itself in a development where consumers will increasingly make informed decisions about sharing their data with organisations. Consumers in this research say they are willing to share their data if there are good guarantees and clear incentives.

58 %

of consumers view their data as their property and feel they should be able to use this to negotiate for free services, discounts or other benefits.

76 %

of consumers want to control their own data and exchange these for services when they so choose.

Consumers are very willing to take action for a good deal or discount. For instance, 4 out of 10 Dutch people are willing to share their email addresses in exchange for exclusive deals from their favourite brands.

So, to a certain extent, consumers feel they should be able to use their data for deals in any which way. However, the question whether consumers really view their data as exchange tools to get better deals, is answered positively by just under 30%. So there seem to be practical objections that stop dreams from becoming reality. Those relate mainly to consumers' perceptions of a lack of control over data collection. Consumers want to use their data as exchange tool, but think it's not possible.

We will address this in a later chapter.

3.2 Data exchange as norm in society

Data sharing is becoming more socially acceptable. This research shows that:

67 %

of respondents think sharing personal data is part of modern life.

64 %

of respondents understand that organisations want to know certain things about them.

50 %

assume that they will have to share certain personal data to purchase (online).

48 %

can imagine that organisations want certain data in exchange for free products or services.

Invest in digital competencies

On the one hand three-quarters of consumers are willing to share data, but only if they are in control and it is clear why they have to provide the data. On the other hand, part of consumers also seems to feel they lack options to exercise this control. It is quite remarkable that one in two Dutch people want to purchase online without sharing any data. After all, a package will have to be delivered and payed for. This illustrates the problem, that part of the Dutch citizens lacks certain digital competencies or basic knowledge of the digital economy.

We do see these competencies in the digital natives. These young people of 18-24 years old are best able to imagine that organisations want data in exchange for free online products or services. For two-thirds of them, this is part of the modern economy. It's in the future to see if data sharing becomes more natural for older generations as the digitalisation continues and the digital native gets older, and if the knowledge gap between young and old will reduce.

NL - UK

In the UK over 70% of respondents say they view data sharing as part of the modern economy. 73% expect to have to provide certain personal data to purchase (online). That is relatively high compared to the Netherlands, where on average only half of the respondents feel the same.

Moreover, in the UK more than 80% of respondents say they view their data as their property and feel they should be able to negotiate with them. This is a significantly higher percentage than in the Netherlands. In Great Britain there is talk of the rise of the consumer capitalist: the consumer who views his data as assets that he can exchange with business. This image is consistent with the relatively high number of privacy Pragmatists in the UK.

4. The privacy paradox

4.1 A dual attitude towards sharing data

The consumers in this research find privacy important and are concerned about their (online) privacy. However, they don't always act on it. This is not an unfamiliar phenomenon. In its research into experiences of privacy on the internet, Dutch research institute TNO speaks of a 'privacy paradox':

*"people say they value privacy, but they don't act on it. What did transpire, is that in many cases people make informed choices about sharing personal data: the context in which data is shared and what happens in return, are important factors in this choice."*³

This paradox also appears in this research. Consumers' attitudes towards certain technologies or media and the use of the same technologies or media show that a relatively low consumer trust in a brand or service does not lead to reduced use.

Smartphones

4,6

On a scale of 1-10 where 1 represents "I don't trust at all" and 10 "I trust completely" consumers rate Tech companies from Silicon Valley, responsible for the operating systems of mobile phones, on average with a **4,6**.

82%

Yet **82%** of respondents own a smartphone (slide 11) and

65%

of respondents owning a smartphone or tablet use apps daily.

The attitude towards social media also shows the privacy paradox well.

Social Media

4,0

On a scale of 1-10 where 1 represents "I don't trust at all" and 10 "I trust completely" consumers rate social media with a **4,0**. With this, social media is trusted the least, while government is trusted the most (5,9).

64%

Yet **64%** of respondents check social media like Facebook, Instagram, Snapchat or Pinterest daily and

56%

log in every day and

28%

post messages daily

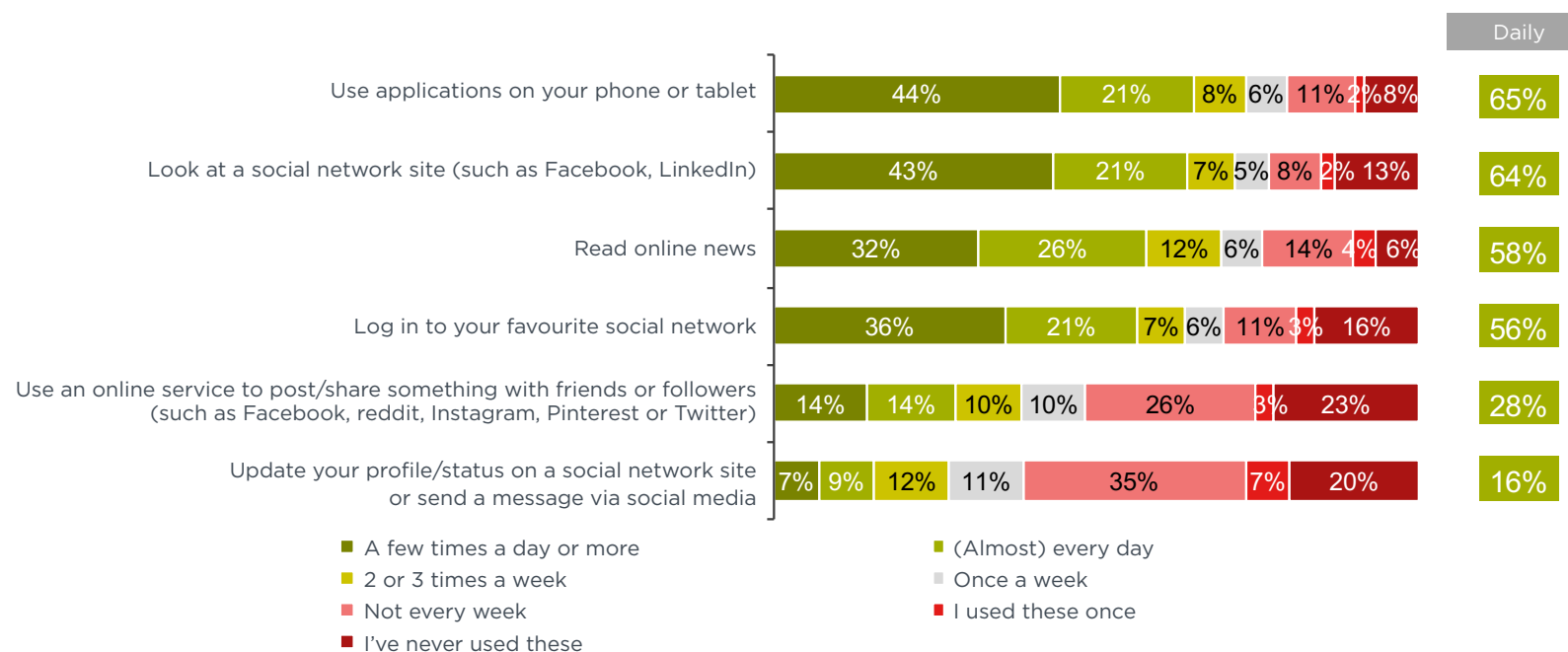
³ TNO, "Privacybeleving op Internet in Nederland" 2015

The privacy paradox becomes clear in the examples on the previous page. People say one thing, but do another. Trust in technology or its use is relatively low, but people use it extensively. The (user) comfort or the service is decisive in this. It needs to be noted that Fundamentalists use online services relatively less to post/share something (30% never), compared to Pragmatists (20% never) and the Unconcerned (19% never). They also log in to favourite social networks less often (22% never), compared to Pragmatists (15% never) and Unconcerned (13% never).

It is a valid question if market imperfections could play a role in the development of the privacy paradox. Consumers actually have very limited alternatives available to well-used online services. In the world of social media, search engines, smartphones and browsers there's a relatively small number of parties calling the shots. Internet companies operate in so-called two-sided markets, where they are agents and sell products to two different groups: users and advertisers⁴. Facebook functions as social network for its members, and uses the profile data to sell ads to companies. In these markets there is often a so-called

⁴ Armstrong, Competition in Two-Sided Markets, 2006

Actions taken (1)



network effect. The more users a service has, the more valuable it becomes. Consider Facebook. A new user will be more likely to join a network that his friends are also members of, than a completely unknown network. Network effects can thus create a lock-in-effect, which makes it difficult for other, similar products to compete as starters with an established product or service.

4.2 Willingness to pay

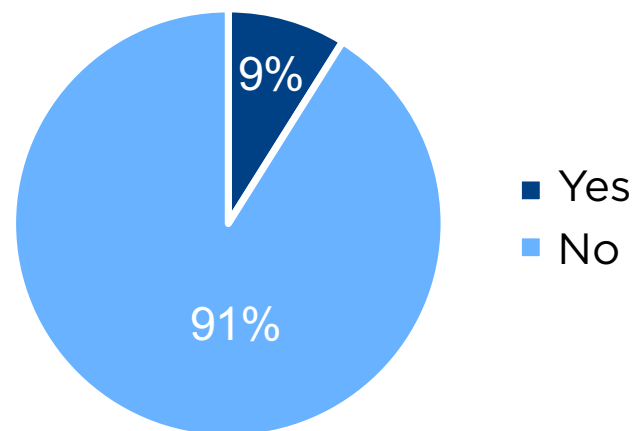
In social debates the argument often surfaces that it is very difficult, or near impossible, for consumers to avoid data collection in interactions with organisations. This mostly applies to free editorial content on the internet, or the use of social media, email and cloud services. It is often mentioned that these parties should introduce a paid option in addition to their 'free' services. Here, the consumer pays a certain amount, and is then not obliged to exchange data and/or is not being tracked. This proposal was suggested often in the debate in the Netherlands on the cookie-laws. Websites that offer free editorial content, now refuse visitors who don't accept cookies. However, the consumers participating in this research are overall not willing to pay for services, even if this means their data will not be used for commercial ends.

Of the 9% respondents willing to pay, most mention the pay-as-you-go or payment of an amount under €1,- per month, as most desirable options.

The privacy paradox is also described in the theory of behavioural economics. People find privacy important, but are not very willing to pay for the protection thereof. The quick financial benefits that 'free' products and services offer, are generally considered more appealing.

Enhance competition

If citizens experience no harm, they keep using services they don't really trust. In that sense, the privacy debate looks somewhat similar to the debate on climate change. People are worried, but this does not result in a change of daily behaviour. Until a huge disaster strikes. An important issue for organisations is how to reach a sustainable business model that takes into account the privacy wishes of consumers, but is economically viable at the same time. Policy makers face the task to secure a competitive market and a level playing field.

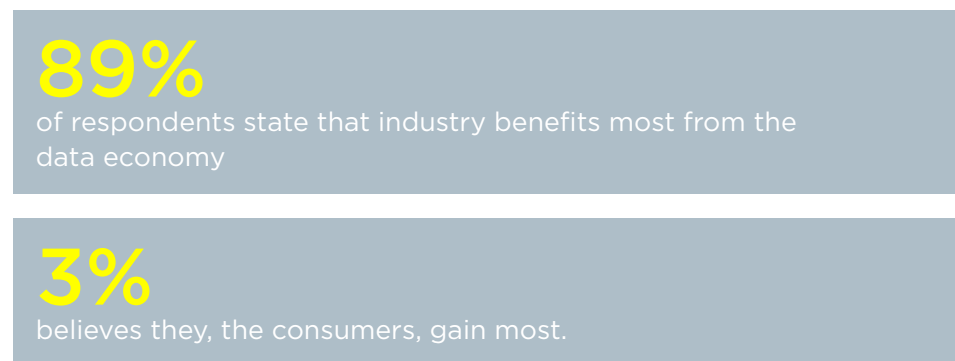


9% of consumers are willing to pay for services if their data will not be used for commercial ends

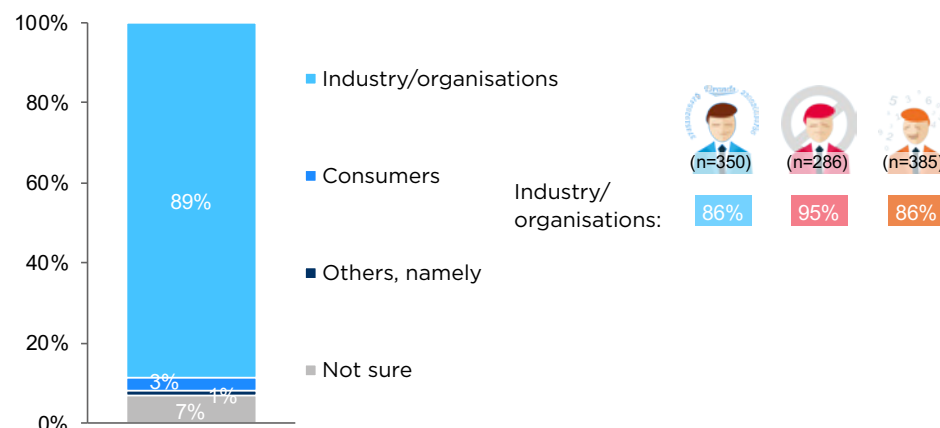
5. Invest in trust

5.1 An imbalance: industry benefits most according to consumers

When we ask consumers who, in their view, benefits most from the data-driven economy, an imbalance emerges.



Benefit exchange of personal data



Consumers believe they don't get enough value for their money, or in this case, their data. If that view persists, it renders the data economy far from sustainable.

Invest in good personalisation

This imbalance is a wake-up call for companies. They need to clarify why they ask for data and must - where possible - show the benefits that data allows, such as better services or a loyalty programme. Recent research by Forrester and PwC called 'The power of Personalization' shows that organisations are not as good in personalisation as believed. Personalisation entails more than a list of recommended products or basic segmentation. It is individualised, relevant and predictable via various touch points. And organisations still insufficiently use the correct data sources for this.⁵

5.2 Consumers are sensitive to direct incentives

A direct incentive appears to be the best reason to provide data. On a scale of 1-10 where 1 represents 'totally unlikely' and 10 'very likely', respondents indicate to (very) likely provide data for:

- a direct financial reward (41%)
- free products or services (32%)
- discounts on products and services (29%) *

*the percentages are based on consumers who score a 7 or higher on a scale of 1–10, for the possibility they would exchange data for the above mentioned benefits.

Fundamentalists and people between 55-64 are much less inclined to exchange their data for direct financial rewards.

⁵ Forrester Consulting study (sponsored by PwC) "The Power of Personalization" 2016

Consumers are also willing to take action for discounts or sales. Almost three-quarters of respondents state they are willing to go to a different shop than usual for this. 57% are happy to get a loyalty card and more than half want to subscribe to an email newsletter.

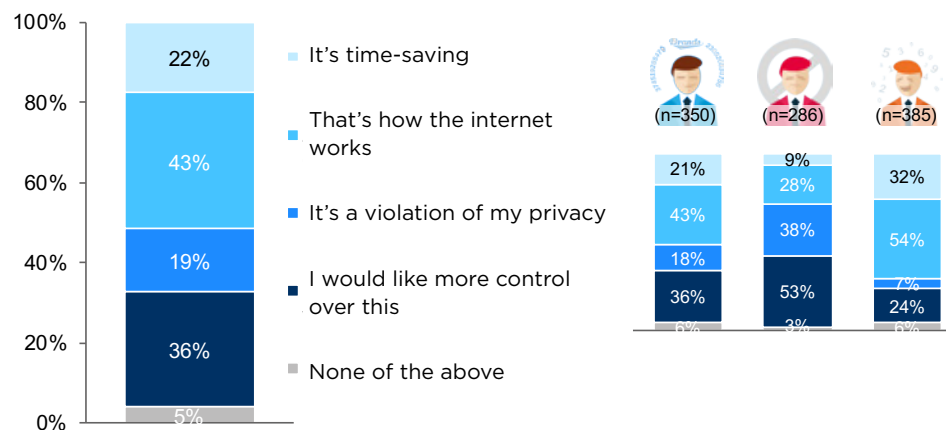
This does not mean that indirect benefits, such as personalised recommendations have lost their value. But consumers expect more from the data proposition.

44%
of consumers think that websites could be more creative in their offers.

58%
expect organisations to analyse visiting behaviour to improve their services in the future

66%
of consumers believe that recognition by websites based on previous visits is part of the internet or finds this to be time-saving.

Order history



Show how data improves services

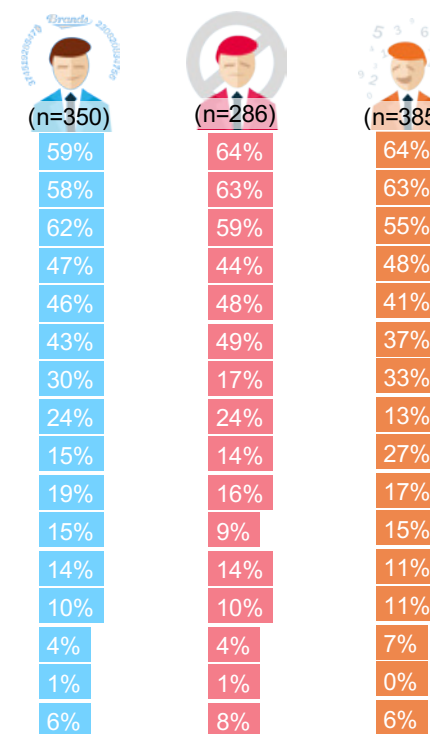
Consumers are part of the digital economy. As buyer of services, but also as supplier of data. It's natural that concerns about privacy are substantial in the digitalised world. It is a sign that the sector is maturing. But these concerns need to be addressed in order to continue this development and reap the benefits of the data economy. This creates chances for organisations. We see that the Dutch expect and understand that organisations collect data to improve services. Whether these are websites that track search behaviour or streaming services that suggest new series. This is understood and appreciated. Organisations should take this to heart and show how data improves their services, creates lower prices or better content. Companies with a valuable and transparent data proposition will ultimately win the race. After all, consumers do indicate that they are happy for organisations to use data to improve services, but that they are insufficiently aware of how this currently happens.

5.3 Preconditions for data exchange

Consumers show an increased awareness about data exchange. They also seem to have a fair understanding of how brands treat their data. The goals for data processing (why), the nature of the requested data (what) and data security (how) appear to be the most important preconditions for a willingness to share data.

Security, goal relatedness and proportionality are more important than possible benefits consumers get in exchange for their data. These are so-called preconditions or deal breakers: if this is not organised well, consumers will not share their data. But if it is all sorted, that on its own is no reason to provide personal data; for that an extra incentive is expected from a company.

Willingness to share data



5.4 Consumers' need for control

Behavioural economics mentions a lack of (sense of) control as possible cause for the privacy paradox. It can also be the reason for the consumer's perception that industry benefits most from data exchange.

82%

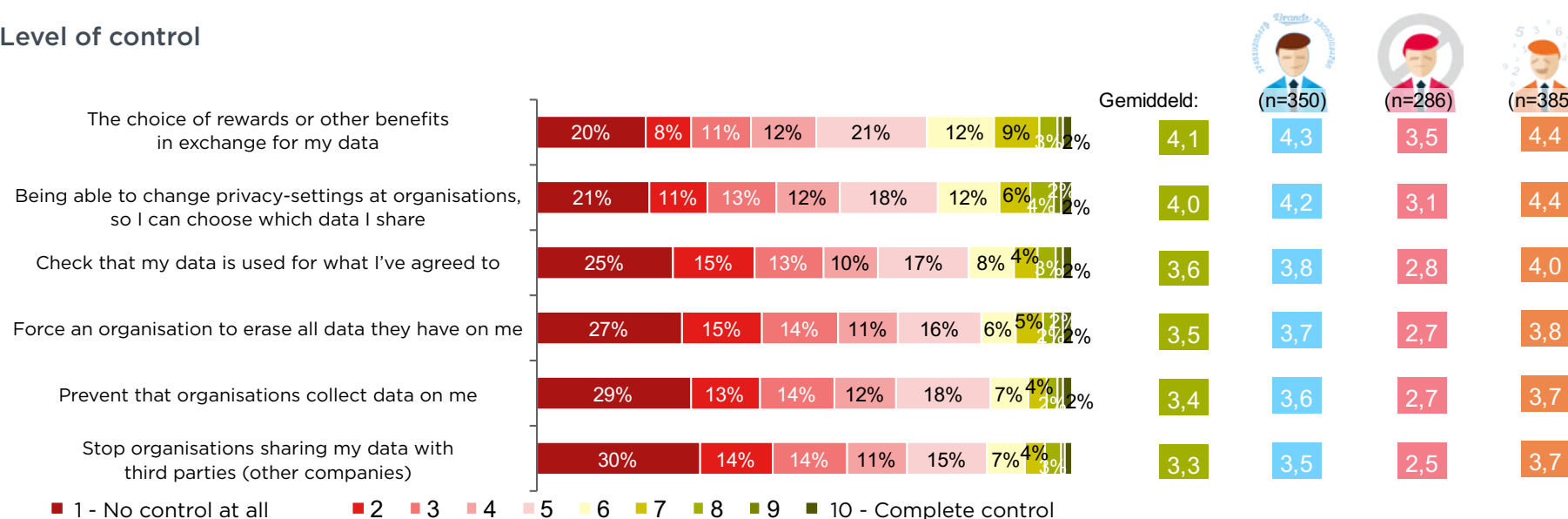
of consumers in this research report to want more control over the data they provide to companies and the way companies use these data

In its research into experiences of privacy on the internet research organisation TNO states that lack of control impacts the capacities of people to decide rationally in privacy matters.⁶ Do I want a loyalty card; do I post an embarrassing picture on Facebook etc.? It is often unclear for people which data are being processed and to which ends these are being used, causing them to be clueless about the consequences for their privacy.

This research points out that consumers experience little to no control in quite a few cases. Over two-thirds believe to have no control at all over the fact if organisations share their data with third parties. They also believe to be unable to force companies to erase their data. The majority of respondents (60%) do not know they can request information about which data a company knows about them.

6 TNO, "Privacybeleving op Internet in Nederland" 2015

Level of control



When organisations offer options to (partly) sort out issues of privacy, consumers will use these options. 63% of respondents say they have changed their social media settings, so their profile page is not visible to everybody.

Invest in privacy education

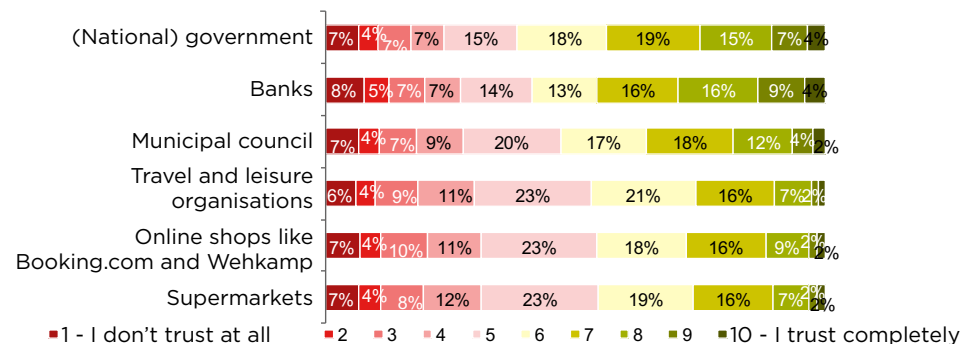
Consumers' need for control over their data is a clear sign. New rules and regulations are not opportune in this case, since consumers are not aware of their rights and options under the current privacy laws. They can request companies to provide insight into their data free of charge. They need to be informed about transference of data and need to be given a choice. For the use of data for marketing and for profiling consumers have the right to object. They can unsubscribe with any organisation and organisations have to honour this request. This offers opportunities to companies. They need to invest in public awareness.

5.5 Trust as factor for success

In addition to mapping factors that reduce the willingness to share data, this research also looks at reasons why consumers would want to share data. Here, trust seems to be the crucial factor for success, mentioned by 43% of respondents. This is followed by transparency (36%) and control (33%), in the form of an online environment where consumers can change their own data.

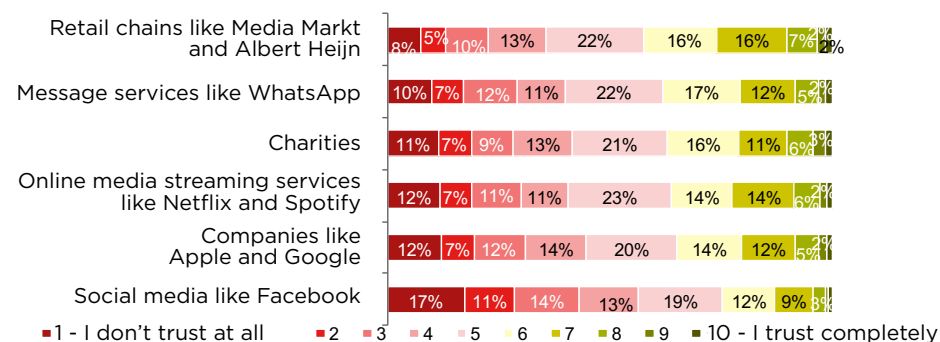
Next, this research looks at which organisations consumers trust in general to a greater or lesser extent. Consumers are critical in this. Ratings are relatively low. Government and previously state-owned enterprises such as banks are trusted the most, relatively. On a scale of 1-10, where 1 represents "I don't trust at all" and 10 "I trust completely" they score 5,9 and 5,8 respectively. American Tech companies score the lowest. Possibly influenced by the Snowden revelations. Here as well it stands out that youth generally trust organisations more than older people, especially those over 65.

Trust in organisations (1)



The type of organisation plays a role in consumer trust. Also, in building trust in the data economy a big role can be played by brands that have their privacy preconditions sorted out, that offer good incentives and pro-actively provide consumers with insight into and control over data collection.

Trust in organisations (2)



NL - UK

Over 80% of British consumers think that industry benefits most from the data economy. This image is more or less identical to the situation in the Netherlands. The incapacity of organisations to formulate a valuable data proposition thus seems to be an international problem.

Also, if we look at factors that are important for the decision to provide data or not, British consumers are similar to the Dutch. In England as well, the questions which data is requested and why it is used, are important preconditions for decisions to provide data to certain organisations or not. In England it's not data security, but the question if data is shared with third parties that ranks high on the list of considerations. Financial rewards, free products or services or discounts on those services are the most important motives to provide data to organisations in the UK as well.

American Tech companies are trusted the least by consumers, just like in the Netherlands. If we look at the type of organisation that is trusted the most, a slightly different picture emerges. Banks and government are trusted, but online retailers such as Amazon also score high on trust, whereas they end up somewhere in the middle in the Netherlands.

6. Conclusions

“That new technologies have an impact on society is intuitively understood. The essence of new technology’s transformative power lies in the way it changes economic trade-offs which influence, often without our awareness, the many small and large decisions we make that together determine who we are and what we do, decisions about education, housing, work, family, entertainment, and so on.”

Technology shapes economics and economics shapes society, Nicolas Carr, ‘The Big Switch’ (2013)

This report reflects the sentiments of consumers in a society increasingly driven by data. As Nicolas Carr states in the quote above, society intuitively feels that the digital economy leads to fundamental change. At the same time we are insufficiently able to estimate how these changes will impact economic and social decisions over time. With this report the DDMA aims to draw the outlines of the framework for the social debate and point towards possible solutions.

The segmentation in attitudes as made in this report is an important one. It shows that the societal privacy debate is not black-and-white. People are not for or against privacy. Consumers differ in their concerns about privacy and in their willingness to share data. Governments should take this into account when making policies. This should stimulate choice and transparency in data processing. Organisations need to get working on differentiated models for data sharing. They are wise to regularly view their (potential) target groups through privacy glasses. Are they Fundamentalists towards sharing data or Pragmatists? To serve the various groups it is highly recommended to use differentiated privacy settings, where people can easily arrange which data they want to share (perhaps in exchange for certain benefits). Organisations can also re-view their revenue models. For Fundamentalists it is better to introduce a paid option of a “free” news medium that does not show targeted advertising. For Pragmatists and Unconcerned this is not the case.

The Dutch are attached to their privacy. Their concerns about privacy and their sense of an unequal exchange do not (yet) translate into consumer behaviour in data sharing. Consumers only trust social media a little bit, but they use them *en masse*. Here we see a parallel with the debate on climate change. The concerns are real, but everyday behaviour is not altered. This is no basis for a sustainable data economy. What stands out is that consumers, in the situations where they do share data but don’t trust the organisations, often don’t have many alternatives available to them. Government and watchdogs should focus on instruments that stimulate competition and level the playing field.

For organisations the most important take-away is that consumers accept data exchange as part of the modern economy, but do not feel that they benefit most from this. 89% of consumers say that industry benefits most from the data economy. This is problematic. Organisations need to sharpen their data propositions. The added value of data exchange is insufficiently clear to consumers. Most consumers in this research indicate they expect and understand that organisations collect data to improve service delivery. Organisations need to clarify how they do this. If organisations can’t do so, they may consider other incentives, like discounts.

82% of consumers in this research want more control over data collection. Other research points towards a lack of information and control over data collection as reasons for sub-optimal decisions by consumers in data exchange. New rules and regulations do not seem opportune, as consumers are not aware of their rights and options under the current Dutch privacy laws. Companies need to take action and give consumers a greater sense of control and autonomy. We see companies anticipating this by developing dashboards and ‘my spaces’.

Trust is the factor most mentioned that makes consumers decide to share data or not. Reputation and popularity of a brand become increasingly decisive in the data economy. Industry now has the opportunity to develop a sustainable data culture. Companies can use the results of this report as a foundation for their data strategy. We slowly see the outlines of a data society emerge in which the majority of consumers are willing to share data, but only if the benefits and guarantees are clear.

Attachment: About the research

Research design

Methodology



Online questionnaire (CAWI)



27 questions, including a multitude of statements



Length of questionnaire ca. 12 minutes



Questionnaire on online privacy

Fieldwork



Fieldwork period 18 – 23 January 2016



Gross sample n=2100



Net sample n=1021



Response percentage 49%

Sample



GfK panel



Dutch citizens 18+ (internet population)



Weighted representatively for gender, age, education, region and internet use (see overview weighting)

Analysis by GfK

Report: Jitty van Doodewaerd, DDMA

About DDMA

DDMA is the independent trade organisation for data driven marketing, that assists its members to handle data responsibly and to approach clients and prospects in a relevant manner. To lift the industry to a higher level, we organise network and knowledge meetings for our 275 company members. We also advise our members on privacy regulations and data security. We are the spokesperson for the data driven industry in the Netherlands. Our members have to meet the criteria of the Privacy Seal

Overview weighting

Variables		Unweighted	Weighted
Gender	Male	50,60%	49,90%
	Female	49,40%	50,10%
Age	18-34	24,00%	28,30%
	35-49	29,50%	28,40%
	50-64	27,80%	26,40%
	65+	18,90%	16,90%
Education	Lower	31,60%	22,00%
	Middle	32,60%	42,30%
	High	35,70%	35,70%
Region	3 largest cities, incl. suburbs	14,70%	15,20%
	Rest West	29,80%	29,80%
	North	10,10%	10,40%
	East	19,10%	20,80%
	South	26,30%	23,80%
Internet use per week	0-4 hours	26,50%	34,30%
	5-13 hours	35,60%	33,00%
	14+ hours	37,90%	32,70%



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