

the future of digital trust

A European study on the nature
of consumer trust and personal data

September 2014

my data value

As outlined in the first instalment of “The Future of Digital Trust” study, European consumers’ trust in organisations to hold and manage their personal data has eroded over the last year.

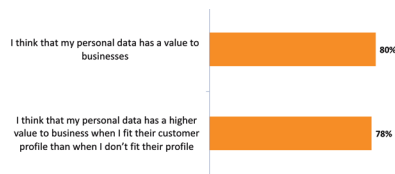


Fig.1: Agreement with statements on value of personal data

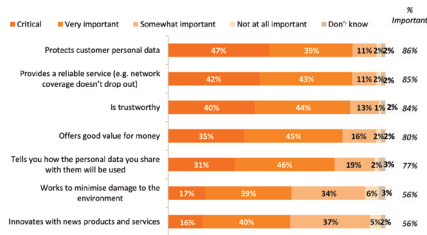


Fig.2: Importance of mobile operator organisation behaviour

77%

of consumers stated that it is very important or critical for mobile operators to inform them about how their data is being used

80%

know their personal data has a value to businesses.

A lack of trusted ways of finding out about personal data management and protection online means that there is a need for a consumer champion of data protection education in Europe. Indeed, over three-quarters state that it is hard to trust companies when it comes to the way they use personal data. Additionally, there is a perceived imbalance within the data-sharing relationship, with two-thirds (67%) of consumers believing that organisations benefit the most from the sharing of data – just 6% think that the consumer benefits the most.

We can therefore assert that consumers are not ignorant to the dynamics of sharing data, and indeed that consumers recognise their data has a value to businesses, and that this value is dependent on a number of variables. This is what we will be investigating in this, the second instalment of the Orange Future of Digital Trust Report.

Data has a value

Supporting the assertion above, Fig.1 shows that four in five (80%) know their personal data has a value to businesses. Moreover, consumers assign a higher value to their data when they match an organisation’s target demographic, with over three-quarters (78%) agreeing that their personal data has a higher value when they fit an organisation’s customer profile.

This level of awareness could signal consumer appetite to shift this balance of power in their favour since, as demonstrated in the previous report, they already feel that they are not benefitting as much as organisations from data sharing practices.

Much will depend on how the consumer acts upon this renewed level of awareness about the value of their personal data.

Interestingly, the research suggests that data protection is the biggest priority for consumers when ranking mobile operator services (see Fig.2) – 77% of consumers stated that it is very important or critical for mobile operators to inform them about how their data is being used, nearly as important as providing a reliable service (85%) and good value for money (80%). This underlines the importance that consumers place on transparency over how their data is used, and also hints at why data has such a high perceived value.

When we delve into the value of particular types of personal data, there are interesting consumer perceptions worth investigating, as not only does the value of consumer data depend on the ‘usefulness’ to the organisation in terms of matching their target market, but it also depends on the ‘type’ of data in question.

59%

say they would never share the email addresses of five personal contacts.

39%

would never share the history of purchases made on their mobile phone.

35%

would never share their full name or date of birth.

Data ‘types’ have variable value

Generally speaking, there are three distinct brackets of data which consumers identify when it comes to their willingness to share their data with an organisation:

1. **third party/financial:** data relating to friends and other contacts such as their preferences or email addresses, or to private information (such as their own personal income);
2. **behavioural:** the second refers to behavioural data, including information such as location or mobile purchase history;
3. **demographic:** finally, basic demographic data, such as name, date of birth, mobile number or marital status.

However, the level of ‘value’ a consumer assigns to each of these data types seems at odds with the risk commonly associated with sharing such important data. For instance, information about ‘third parties’ or ‘private income’ is perceived as the most valuable, above critical personal demographic data, and also above behavioural data such as purchase history and location.

The following statistics illustrate this point:

- most (59%) say they would never share the email addresses of five personal contacts;
- 39% would never share the history of purchases made on their mobile phone;
- only 35% would never share their full name or date of birth.

There appears to be a conflict between the perceived value of data type and the perceived risk of sharing that data. From a security perspective, more harm can come from sharing demographic data such as date of birth or full name, which consumers assign a lower value to, than can come from sharing email addresses of friends which is perceived to be higher value data.

Demographic data is especially targeted for identity theft and fraud purposes, so it is a concerning contradiction that consumers assign less value to this aspect of their personal data.

	familiar organisation	unfamiliar organisation
my full name or date of birth	£12.16	£15.22
my mobile number	£13.96	£16.20
my location (e.g. via mobile GPS tracking)	£13.35	£16.02
my annual income	£14.61	£16.50
my marital status	£9.63	£12.83
my sexual orientation	£11.38	£13.85
my job	£11.11	£13.83
my children's details (e.g. sex, age)*	£12.44	£14.53
details of my family members' preferences	£14.07	£16.21
email addresses of 5 people in close personal network	£14.46	£16.67
history of purchases made on mobile phone	£13.25	£16.31
my postal address	n/a	£15.67
my main personal email address	n/a	£15.11
average (mean)	£12.77	£15.30

Fig.3: Average (mean) amount of money that a consumer would want to receive in order to share their details with two types of organisations

Familiar organisation: knew and had bought from before
Unfamiliar organisation: heard of but had never bought from or shared personal data with

* Denotes question was asked of those with children in the household

63%
 would never share the email addresses of five personal contacts (up from 59% with a familiar organisation)

50%
 would never share the history of purchases made on their mobile phone (an increase from 39%)

This contrast further highlights the need for consumer education when it comes to protecting and managing personal data. While consumers are increasingly aware of the value of their data, they need to understand how that data may be used once they have shared it.

Consumer relationships with organisations impact data value

Another factor that affects the value assigned to personal data is consumers' relationship with the organisations they share their data with. As shown in Fig.3, the average perceived value of each data item is higher when shared with an unfamiliar organisation, compared with a company that the consumer knows and has a relationship with. On average, consumers value their data 20 percent higher when asked to share with a company they do not have a relationship with compared to one they have done business with in the past (£15.30 / €18.52 / ZL77.35 vs. £12.77 / €15.46 / ZL64.56, respectively).

Familiarity with an organisation also affects the proportions of consumers who would never share their data. Compared to the data outlined in the previous bullet points, with an unfamiliar organisation:

- 63% would never share the email addresses of five personal contacts (up from 59% with a familiar organisation);
- 50% would never share the history of purchases made on their mobile phone (an increase from 39%);
- nearly half (48%) would never share their full name or date of birth with an unfamiliar organisation, compared to

35% of those who would never share this with a previously-known company.

Because consumers place value on their personal data, companies that want to receive data from consumers for the first time, need to be clear about how they will use this information.

Cumulative data value

So far, we've looked at individual elements of the data ecosystem, but it's important to consider the value of a single customer who shares a number of (or even all) types of data with an organisation. For example, if an organisation holds every data type listed at Fig.3 for an individual, the total value is just short of £140 / €170 / ZL700 in the eyes of the consumer.

Customers are looking for a more level playing field with organisations whereby they benefit at least equally from a data exchange. While this ultimately serves to increase the price of data for organisations, it could also result in greater brand engagement and a positive reputational effect.

This suggests that organisations should consider what personal data they need from consumers, what they actually request (which may be above and beyond what is needed) and the likely value placed on that data by the consumer. The benefit received in return for data must match the perceived value of that data, so that consumers feel that they are being adequately rewarded.

There is a clear distinction between sharing anonymous data and personal data in the minds of consumers with consumers feeling more at ease with sharing the former.

	Familiar organisation	Unfamiliar organisation
My full name or date of birth	£12.14	£15.02
My mobile number	£14.01	£16.97
My location (e.g. via mobile GPS)	£13.99	£17.66
My annual income	£15.18	£17.30
My marital status	£8.23	£12.34
My sexual orientation	£10.56	£12.82
My job	£10.70	£13.58
My children's details (e.g. sex, age)*	£12.41	£16.11
Details of my family members' preferences	£16.12	£18.93
Email addresses of 5 people in close personal network	£16.63	£18.80
History of purchases made on mobile phone	£14.22	£18.73
My postal address	N/A	£17.18
My main email address	N/A	£15.64
AVERAGE (mean)	£13.11	£16.24

Fig.4: UK specific data: Average (mean) amount of money that a consumer would want to receive in order to share their details with two types of organisations

	Familiar organisation	Unfamiliar organisation
My full name or date of birth	€ 11.70	€ 14.91
My mobile number	€ 13.93	€ 15.47
My location (e.g. via mobile GPS)	€ 14.35	€ 16.16
My annual income	€ 14.99	€ 16.19
My marital status	€ 10.42	€ 13.60
My sexual orientation	€ 12.23	€ 15.27
My job	€ 10.55	€ 14.47
My children's details (e.g. sex, age)*	€ 13.60	€ 13.80
Details of my family members' preferences	€ 13.22	€ 15.58
Email addresses of 5 people in close personal network	€ 15.00	€ 16.75
History of purchases made on mobile phone	€ 13.46	€ 16.04
My postal address	N/A	€ 15.33
My main email address	N/A	€ 14.73
AVERAGE (mean)	€ 13.04	€ 15.25

Fig.5: France specific data: Average (mean) amount of money that a consumer would want to receive in order to share their details with two types of organisations

Identity and the purpose of data collection

The research also demonstrates that the consumer makes a distinction between anonymous and identifiably personalised data; two forms which consumers have very different attitudes around with regard to sharing.

When data is analysed anonymously and without identifying the individual, over half (56%) are happy with companies using their data in this form – for example as census information or for civic planning. However, this falls to 41% for companies using data collected as a part of being an organisation’s customer, (such as purchase history, or the times and numbers of phone calls made), and to 38% for personal data actively given to a company, such as name, email address and purchase preferences. It is very evident that the extent to which data is identifiable to the consumer themselves therefore matters significantly, and indicates once again the need for companies to be transparent not only about how they are using personal data, but the form in which they are using and sharing it.

The purpose of personal data collection is also a variable that impacts consumer willingness to share it with organisations – with future service improvements a more welcome use of data than marketing purposes:

- 47% are happy for their anonymous data to be used to predict local area services and needs;
- only 37% are happy for anonymous data to be used for technical optimisation of services;
- just 37% are happy for their purchase history to be used to suggest other items that they might want to buy;
- 30% are comfortable with their demographic data being used for targeted advertising;
- just 28% are comfortable with their information being used for location-based advertising.

This suggests that communicating the purposes of data sharing is important to boost consumer confidence and buy-in. This is especially compelling if future service improvements can be impacted by the analysis of anonymised data, and in this case, not only is data confidentiality maintained but the benefit of better service is a tangible reward.

conclusion

The research reveals that consumers assign different values to their personal data depending on the type of data, the type of organisation with which they are sharing it, the purpose of data collection and the nature of data storage, anonymisation and analysis. Individuals understand the value of their data, and have an idea of the importance to organisations.

	Familiar organisation	Unfamiliar organisation
My full name or date of birth	€ 14.25	€ 17.82
My mobile number	€ 16.65	€ 19.83
My location (e.g. via mobile GPS)	€ 15.87	€ 18.66
My annual income	€ 16.54	€ 18.92
My marital status	€ 12.72	€ 16.16
My sexual orientation	€ 14.16	€ 17.10
My job	€ 14.58	€ 17.34
My children's details (e.g. sex, age)*	€ 15.43	€ 16.23
Details of my family members' preferences	€ 15.90	€ 18.66
Email addresses of 5 people in close personal network	€ 16.04	€ 17.98
History of purchases made on mobile phone	€ 15.85	€ 18.47
My postal address	N/A	€ 17.89
My main email address	N/A	€ 17.66
AVERAGE (mean)	€ 15.27	€ 17.90

Fig.6: Spain specific data: Average (mean) amount of money that a consumer would want to receive in order to share their details with two types of organisations

	Familiar organisation	Unfamiliar organisation
My full name or date of birth	76.25 zł	95.13 zł
My mobile number	83.76 zł	94.40 zł
My location (e.g. via mobile GPS)	73.11 zł	89.21 zł
My annual income	86.93 zł	99.50 zł
My marital status	56.43 zł	72.79 zł
My sexual orientation	66.60 zł	80.10 zł
My job	65.55 zł	78.22 zł
My children's details (e.g. sex, age)*	67.59 zł	86.87 zł
Details of my family members' preferences	81.39 zł	89.13 zł
Email addresses of 5 people in close personal network	78.65 zł	96.94 zł
History of purchases made on mobile phone	73.63 zł	90.93 zł
My postal address	N/A	91.35 zł
My main email address	N/A	91.29 zł
AVERAGE (mean)	73.63 zł	88.91 zł

Fig.7: Poland specific data: Average (mean) amount of money that a consumer would want to receive in order to share their details with two types of organisations

When put in the context of the erosion of trust in organisations and the perception that consumers are not getting their fair share of benefits from information exchanges, it is evident that there remains much work to be done for trust to be retained, and even grown, by those companies associated with data collection and across the industries where personal data has a role to play.

There are three levers to boost personal data trust levels towards businesses:

- **transparency:** Greater transparency about how data is used has already been flagged in the first research instalment as an important element in rebalancing the relationship, and the new insight around the perception of value strengthens this call for realignment in who benefits most from the sharing of personal data. Organisations should make clear the purpose of data collection and how it will be used.
- **control:** Aware that their data has a value, consumers want control over what data they share and what they get in return. Industry should enable consumers to choose what data is shared and for what purposes.

- **education:** Consumers have become so used to sharing key demographic information that they assign lower value to it despite it being the most valuable from a security perspective. Education is important to ensure that demographic data is valued more highly and that consumers understand the benefits, such as service improvement, that can result from data sharing.

The next instalment in this series will further investigate the possible reasons for variable data value and why trust has eroded.

