BLOG

What consumers really think about how you use their data

OPINION

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To allay concerns about privacy, brands must champion the benefits of advertising and show how data exchange can create trust, say Claus Munch Sandvei, Director, and Simona Zykaite, Senior Research Executive, MediaCom Global Insights

In the beginning, was the technology. It was new and it was shiny and consumers loved it. But over time they have become more sceptical and privacy concerns are likely to grow.

Some have been voicing their concerns for a while, and a growing number of data privacy breach scandals – including Cambridge Analytica, Ashley Madison and the Edward Snowden leaks – have revealed just how fragile our data security can be.

Such episodes have pushed consumers to re-evaluate their practices and made them wary of sharing data. If brands want to know more about the people who buy their goods and services in future, they will need to take a different approach.

We recently talked to upper- middle income consumers in 23 key ad markets around the world to explore their attitudes to digital privacy.

What GroupM's Consumer Eye: Marketing Technology 2019 Wave 2 study found was that consumers were happy to embrace technology; six in 10 agree that technology makes their lives better.

Traditionally, business and technology-focused consumers were more likely to express greater privacy concerns. A Foresight Factory study published in 2019 found 61% of global consumers were concerned about who their personal information/personal data is shared with when they download and use an app, up from 54% in 2014.

GroupM's Consumer Eye study showed that concerns are much broader than that, with eight in 10 worrying about privacy online today and one in two seeking more control over how their personal data is being used.

Data is a valuable commodity

Consumers are becoming more aware of their data rights. GroupM's Consumer Eye study shows that roughly eight in 10 are taking action to restrict the information companies collect. Changing privacy settings and deleting cookies are the most common actions, but three in 10 consumers also admit that they post less new information.

Alongside this, they are also taking actions to avoid ads online. Seven in 10 admit to actions such as changing settings and installing ad blockers. Personal data is no longer regarded as an unknown quantity, but a valuable commodity to be traded and kept safe.

With the arrival of better tools that help us manage our digital histories, consumers will only

hand over their data for tangible benefits – 88% say that they will share information if incentivised. Millennials and higher-income consumers are more likely to see data exchange as transactional.

Consumers lack trust in brands

Consumer concern over data privacy is creating winners and losers among brands. We know that trust in companies and brands is a key driver of business growth, however, these trust levels are low: only a quarter of the global population trust companies to do the best for our future.

Businesses must respond and take the opportunity to be seen as data partners. Growing data literacy means brands have to offer assurances on data privacy, control and portability, and accept that, while data is the lifeblood of so much commercial activity, it may not always be forthcoming.

That means not just making assurances that customers' personal data is secure but also, specifically, what data is being used and why. Consumers do not oppose data sharing in principle, but they are sensitive to the type of data being collected.

Highlighting the benefits that come with data sharing may nudge some consumers towards greater openness and encourage them to consent. Many are not always aware of how collecting their data benefits them; only 18% in our study agree that providing more data to firms leads to better products and services, although younger consumers were more likely to agree.

Brands need to champion the rewards of their personalisation offer and allay any concerns about data-sharing and privacy while giving customers the option to skip personalisation features entirely.

They should reward data sharing and create incentives to share, including great content and context-savvy comms/recommendations that come from connecting and analysing the multiple data streams in customers' lives.

Even when brands ask consumers to share data, they should consider what data they are sharing with their consumers. Brands can set an example by showing how data exchange can create trust, by being clear about product labelling (for example, demonstrating the impact of CSR initiatives and showing consumers behind-the-scenes content about how their product is created).

Technology moves dangerously fast. New advancements, such as 5G and AI, will open many new ways to connect, but will also create new threats for consumers and challenges for brands.

Brands need to act on these changing perceptions around data privacy and turn them into a differentiating strength, otherwise they risk losing out amongst a growing swathe of connected, digitally-savvy consumers.

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