Transparency, Trust & Control: The New Face of Data Privacy

A Look at Shifting Consumer & Marketing Behaviors

Executive Summary

- Increasing consumer awareness and an appetite to understand—and agree in advance—how their information will be used is at an all-time high. And, by the end of 2023, 75% of the world's population will have its personal data covered under modern privacy regulations.*

- Collection and use of consumer data is at the core of this fundamental shift as new data privacy laws and policies will impact consumers at every digital touchpoint.

- While organizations shift to modify data collection practices, marketers are becoming more concerned with the impending ramifications on leveraging consumer data for brand experiences, engagement, and personalization.

- Transparent data collection practices not only make customers feel more secure and empowered, they foster a relationship between individuals and brands that is built on trust and clear, direct consent.

- Our research bolsters this sentiment and shows that the path forward is full of opportunity as consumers are not only more willing to share their information with brands that are transparent, they are also more likely to make a purchase.

- This report not only highlights the consumer perspective regarding data privacy and related trends, it also analyzes the impact on marketers and how the two parties must ultimately establish a relationship built on transparency and trust.

Key Findings

Consumers want to be in control of how their data is used.

- **51%** say that controlling their personal data makes them feel more secure and/or more empowered as a consumer.

- **94%** feel it's important to have control over the information they share with companies—and how it's used—with two-thirds (**66%**) saying it is very important.

Brands benefit by being transparent with their data practices.

- **77%** of consumers report that transparency practices have an impact on their purchase decisions.

- **47%** say they try to purchase more from transparent brands, with **30%** saying they only make purchases from brands that demonstrate transparency.

Marketers are worried how changing laws will impact engagement.

- **86%** are concerned with impending privacy laws, with **78%** believing that impending laws will lead to somewhat/much less engagement and personalization.

- **65%** feel that it will be difficult to engage customers if brands need to capture consent for personally identifiable information (PII).

Almost every consumer wants greater control over how their personal data is used
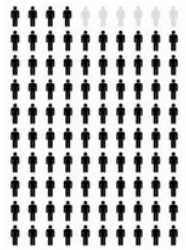
94%

Of consumers say having control over the information they provide companies and how that information is used is important

- Due to rampant data breaches, consumers are becoming more aware - and concerned - with how brands collect, use and store their personal information. Our research shows that the overwhelming majority of consumers want greater control over how their data is used.

- In fact, **51%** of respondents believe that having control over their personal data would make them feel more secure with **49%** saying they would feel more empowered.

- However, consumers still lack faith that brands will ever provide them with the ability to control their personal information across connected devices in their home with **12%** of respondents believing this will never be an option.

- While some marketers fear giving consumers greater control over their personally identifiable information (PII), it's clear that the demand is strong and the need for trust and transparency is not waning anytime soon.

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Privacy is no longer a box brands check to hit a compliance requirement. A privacy first approach to marketing that focuses on your **most valuable asset, your customers, and preserving their data dignity**, is a true competitive advantage. **Trust is the new currency**, and if you can operationalize the privacy experience for your consumers whether it is in a 1:1 setting, where they have seen enough value to give you permission to speak to them directly, or in a broader, mass setting, where you are working to earn that right to speak to them 1:1, you will set yourself apart from the competition and create an experience that is both notable and valued.

– *Jessica Simpson, SVP, Solutions Consulting & Verified Tech at Publicis Media*

Consumers are more likely to share information with brands that have transparent data practices and policies.

- **84%** of consumers are likely to share information with companies that take this approach to communicating with consumers about their data.

- **83%** would put more trust in brands that provide this level of transparency.

- **77%** of consumers also said that data transparency practices impact their purchasing decisions, with only **23%** saying it has no impact.

- In addition, **47%** of consumers try to purchase more from transparent brands while three-in-ten (**30%**) of consumers only buy products from companies that demonstrate transparency.

- A common misconception is that marketers are concerned that by giving consumers control over their PII, it will hinder their bottom line and negatively impact engagement.

- Our research shows the opposite— consumers are more likely to trust and engage with brands that have a transparent, user-friendly experience based on explicit consent.

- Consumers are also very open to new ways of controlling their personal data. **92%** of consumers are very or somewhat likely to use a service that allows them to see and control the personal information that brands collect, use and store.

On the flipside, marketers are concerned with data privacy legislation and its impact on engagement & personalization, but they understand the need for transparency.

86%
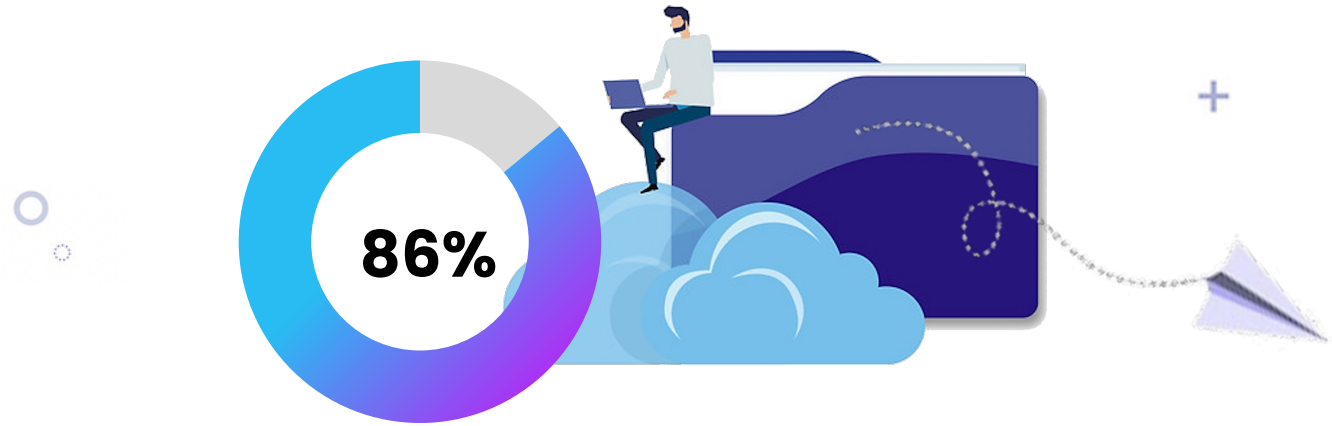
- **86%** of marketers are concerned with impending privacy laws. Overall, they feel that any changes to data collection policies will hinder their ability to effectively communicate with consumers and provide them with a superior customer experience.

- In fact, **78%** of marketers feel the impending laws will lead to less engagement and personalization, which is largely due to a complete overhaul of how, and what, type of data they are able to collect and use.

- However, over half (**63%**) of marketers feel that a consumer would react positively by increasing loyalty and engagement if brands are transparent about personal data.

- While **30%** of marketers feel that data privacy policies are too confusing, two-thirds (**66%**) agree that related privacy laws should be transparent.

- Marketers also reacted positively to capturing consent, with **87%** feeling that direct consent from consumers would somewhat/vastly improve consumer's perception of the brand.

- Not only is brand perception important, **85%** of marketers also feel that trust and transparency will have a direct correlation with ROI on ad spend.

Moving Forward Together
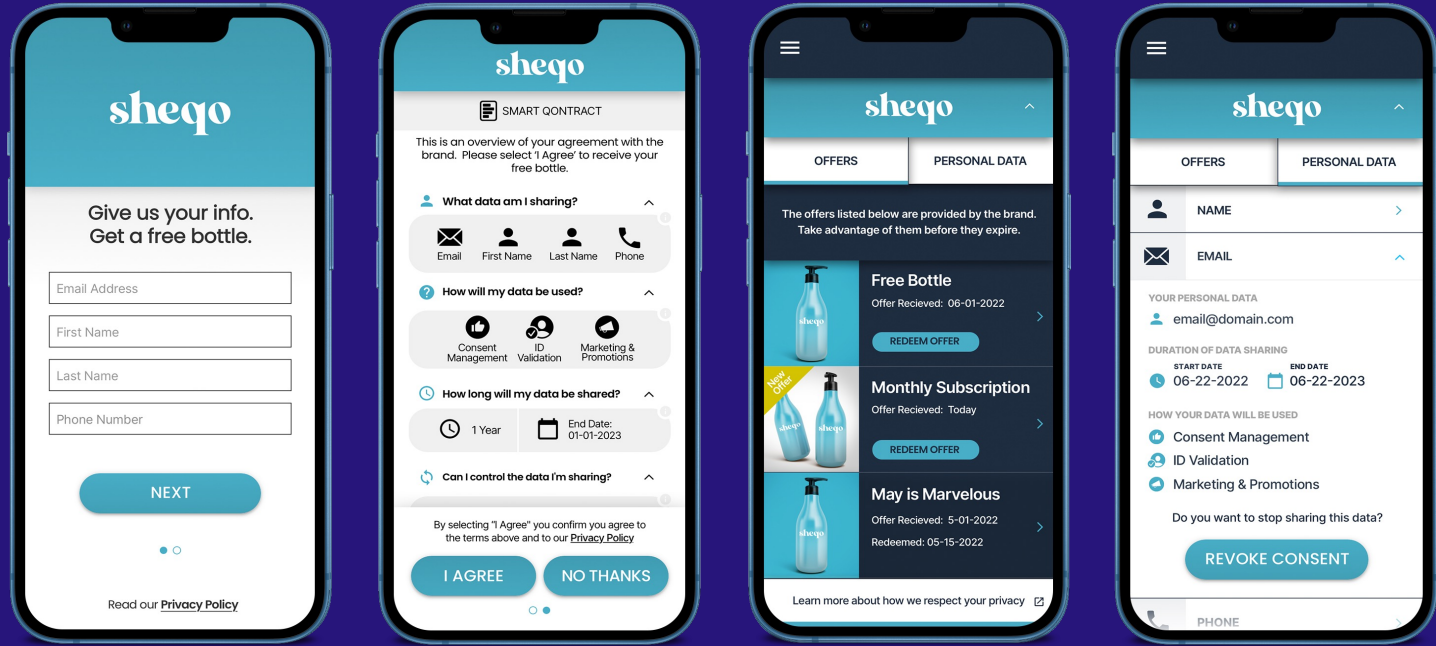
- As privacy legislation looms and the demand for greater transparency gains momentum, marketers should use this time as an opportunity to rethink their approach around data collection and strategize ways to develop deeper, more meaningful relationships with consumers.

- Not only will this allow brands to capture first party data compliantly, they will also be able to establish a consistent and sustainable view of identity.

- Although there is a mad dash amongst brands to cobble together data privacy solutions that address one solution or another, the crux of the issue is that handling personal data privacy is a tremendous challenge that needs a different approach—from explicit consent and capturing first- and zero-party data to storing this information and providing consumers with straightforward, detailed ways in which it will be used.

- Brands and marketers will be pleasantly surprised that implementing engaging experiences that require consent will not only increase data sharing, but also benefit their bottom line, making it a win-win for both consumers and marketers.

Additional Resources

- For the latest information and developments regarding data privacy legislation in the US, visit the International Association of Privacy Professionals (IAPP) website for useful Tools and Trackers.

- The Interactive Advertising Bureau's Technology Lab (IAB Tech Lab) has put forth a Global Privacy Platform (GPP) architecture to enable data use transparency and control for users—read the IAB Tech Lab GPP white paper here.

- In addition, The Network Advertising Initiative (NAI) has developed a resource that outlines 'Best Practices for User Choice and Transparency' to help organizations better understand the practice of dark patterns and implement best practices to avoid them.

- The Association of National Advertisers (ANA) is another helpful resource that has an extensive collection of best practices and research reports in the ANA Content Library.

- Regarding the recent American Data Protection and Privacy Act (ADPPA) draft, our CEO, Jesse Redniss, shares his thoughts in a piece titled 'ADPPA And Why This Is A Blockbuster Of A Bill... Draft, That Is'.

Research Parameters

- Methodology
  On behalf of Qonsent, CITE Research (citeresearch.com) conducted an online survey among 1,000 US Census-based US adults and 125 Marketers. Research was conducted in May 2022.

- Screening Criteria
  Consumer respondents were screened on gender, age, ethnicity, region, and income to match the US general population. Marketer Respondents were screened on title and department.