

## BUILDING TRUST IN THE DIGITAL ECONOMY

### SURVEY RESULTS, SEPTEMBER 2018

#### Businesses' use of data goes to the heart of consumer trust

When it comes to tackling some of the biggest challenges our society faces, from combating climate change to supporting an ageing population, data driven technologies will help find the answers. As a society, we should be open and optimistic about the opportunities that technology unlocks. But that progress must be matched by a commitment to uphold the highest standards of protecting data.

New CBI research<sup>1</sup> shows in no uncertain terms that the way a company treats personal data is the top concern for potential customers and business partners.

Why has data become such a big deal? Because technologies that we use today are increasingly built on digital information, not just nuts and bolts. From getting the best flight deals, to the latest news on social media – the products and services we love are underpinned by our data.

The pace of change is accelerating and issues of trust, privacy and innovation and increasingly in the spotlight. People need to have trust in the way technology gets smarter and solves new challenges. This is by no means a matter for just the tech sector, data fundamentally underpins the everyday work of businesses across the economy.

High profile data breaches, scandals around information sharing and new international regulations have rightly focused the spotlight on the way data is used in everyday life.

#### A commitment to data privacy is a fundamental part of a business's license to operate in the modern economy

The UK's new data framework, the General Data Protection Regulation (GDPR), sets out a strong set of principles and requirements for companies to comply with. While GDPR sets the legal boundaries for data, companies need to make those standards real for consumers.

Evidence from Which?, the consumer advocacy group, shows that above all consumers want to know what impact sharing their data will have on them.<sup>2</sup>

*84% of consumers say how a business uses and protects data is the top issue when deciding who to buy from and work with*

*54% of consumers believe companies may have misused their data in the past.*

*Nearly ¾ of consumers want to know more about how their data is used*

<sup>1</sup> CBI, Everyone's Business Tracker, 2018 – The survey evidence represents the results of research conducted by Opinium Research for the CBI and Porter Novelli, between 29 to 31 May 2018. Opinium conducted an online survey of 2,007 UK adults. The sample has been weighted to reflect a nationally representative audience.

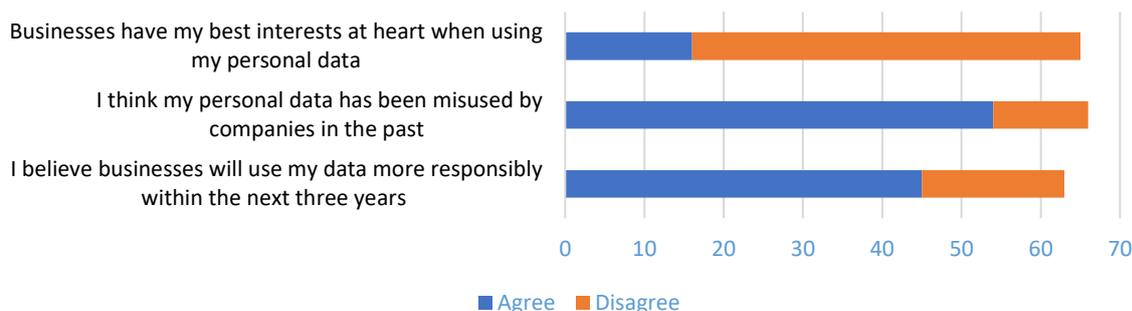
<sup>2</sup> Which? Control, Alt of Delete?, 2018



Many firms are already responding by revamping how they talk about customer data, investing in more intuitive systems and ensuring cyber security is a boardroom priority. Encouragingly, exhibit A<sup>3</sup> shows most members of the public are optimistic that over the next three years businesses will use improve their data practices.

*CBI research shows the majority of the public think businesses will use data more responsibly in the future.*

Exhibit A: UK public support for each statement (%)



Businesses can move the trust dial in a positive direction by practically improving the transparency around what type of personal data they collect and spelling out simply how that data is used. Sectors such as the Sharing Economy are leading the way in earning the trust of their users by clearly demonstrating a commitment to data privacy.

The Sharing Economy [TrustSeal](#) is a set of good practice principles which are independently verified to ensure firms maintain professional standards. Security and data protection are one of the 6 core principles that companies need to continuously demonstrate.



Improving trust and understanding in how organisations use data isn't just the right thing to do, it's a business imperative. Firms that fall behind the standards set will lose customers and undermine wider business reputation.

*Over 1 in 10 consumers will stop using a company's product or service over data misuse*

<sup>3</sup> The survey question asked was: "To what extent do you agree or disagree with the following statements?"



## Consumers expect added value when sharing data with businesses

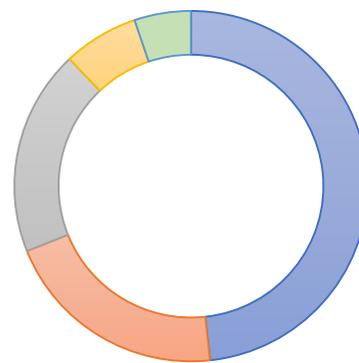
With firms in every sector using data to deliver innovative products and services, it's essential that companies recognise what consumers' expectations are when sharing data.

Exhibit B<sup>4</sup> shows that the top three benefits consumers value when sharing their data are:

- to get better value for money, (47%)
- to support innovation & research, (22%)
- to receive a more personalised service, (19%)

Consumers want to know more about how data sharing impacts them and businesses should recognise the value in clearly explaining how collecting and using data directly benefits users.

Exhibit B: Consumers are comfortable to share their data with companies to get:



- Value for money
- Support innovation & research
- Personalised service
- Faster service
- New product recommendations

CBI research also highlights generational differences in attitudes towards data sharing. Younger people (18 – 34-year olds) are most comfortable about sharing their data, but have clear expectations about how the data should be used. The group of 18-34-year olds surveyed were more likely than any other age group to actively boycott firms if their data is mishandled with 40% backing strong penalties for companies which misuse personal data.

## Businesses can take action now to better engage consumers about their personal data

An assessment of what factors and behaviours can undermine trust is essential for improving practices and behaviour. While there is an important responsibility on government and civil society to be involved in helping address this issue, CBI research shows that businesses can take a leading role in improving trust in how data is used.

### 1) Go beyond the legal requirements of a privacy policy

The public values simplicity and transparency when it comes to engaging with businesses on how their data is protected and used. Research by Ipsos Mori showed that over 80% of consumers were unaware what information companies collect about them and this can lead to a sense of a lack of control and ownership over personal data.<sup>5</sup>

<sup>4</sup> The survey question asked was: "I am happy to share my personal data with companies to get..."

<sup>5</sup> Ipsos Mori, Global Trends Survey, 2016

### Exhibit C: What would make you more comfortable to share your data with a business?

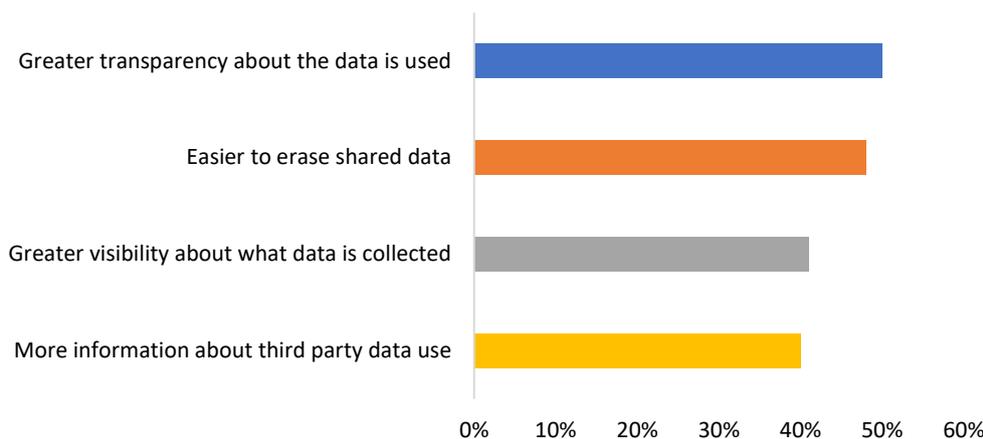


Exhibit C<sup>6</sup> shows the top factors that makes customers more comfortable to share data:

- Greater transparency about how the data is used (50%)
- Making it easier to delete data shared (48%)
- More information and what type of data is being collected (41%)

Businesses have the opportunity to go beyond just having legalistic privacy policies and instead design intuitive systems and guidelines that clearly explain to consumers how their data is being used, whether that data can be erased and who has access to it.

## 2) Tell consumers about their data rights

In the last two years, over 90% of the world's data was generated and the internet is fast approaching 4 billion users.<sup>7</sup> Digital literacy, in particular consumers knowing and understanding their rights, is a cornerstone of building understanding and trust in the modern economy. However, there is currently a digital deficit which impacts how consumers engage with businesses.

GDPR sets high standards for businesses and clear rights for consumers to exercise. However, over half of the public are not aware of their data rights - for example the right to request access to data or the right to data erasure.

*54% consumers are not aware of what rights they have when sharing data*

<sup>6</sup> The survey question asked was: "Which, if any, of the following would make you more confident to share your data with a business?"

<sup>7</sup> Forbes, How much data do we create every day? 2018



Improving digital literacy for consumers is crucial to improving trust in technology over the long-term. This is fundamentally a joint responsibility between Government, the Information Commissioner's Office and the business community.

### 3) Double check you're using personal data in the way a consumer expects

CBI research shows that nearly half of consumers do not believe that businesses have their best interests at heart when it comes to using their personal data.

As a general rule, businesses should always ask themselves "am I using this data in the way a consumer expects?". If the answer is no, steps should be taken to better explain to users how the data is being used. As outlined throughout the survey, consumers value understanding what impact data sharing has on them.

*49% of respondents said they do not believe businesses have their best interests at heart when using their personal data*

### These survey results are the first step in a wider CBI campaign examining the relationship between trust and technology

The UK is well-placed to lead the way in developing data driven goods and services that consumers love and make the economy more competitive. What the CBI's evidence highlights is that technological innovation must go hand-in-hand with greater consumer awareness and confidence in how their data is being used.

Good progress has been made in the past six months, with consumer awareness and business investment increasing in the run-up and aftermath of GDPR. Building trust in the modern digital economy is a continuous process and while there is strong role for Government and civil society, the business community has the potential to markedly turn the dial in improving trust and standards.

#### Actions for business:

- **Go beyond the legal requirements of the privacy policy:** Businesses need to be proactive in setting out how they manage personal data throughout a customer's journey with a company. The roadmap should be more than a legalistic privacy policy and clearly explain how their data is being used, whether that data can be erased and who has access to it.
- **Tell consumers about their data rights:** In continued partnership with Government and the Information Commissioner's Office, businesses should raise the profile of what rights consumers can exercise over their personal data.
- **Double check you're using personal data in the way a consumer expects:** businesses should always ask themselves "am I using this data in the way the consumer expects?"
- **Show digital leadership:** Companies should also seek to invest in digital leadership at the most senior levels and not just on the front line. Having the right skills in the boardroom can help firms to keep pace with evolving consumer habits while ensuring high standards of privacy.