



# CivicScience Insight Report

## Consumer Sentiment Toward Data Privacy

### Part 2 of 2: Data Privacy Practices of Corporations

Our first report on privacy highlighted the many activities that we perform or share daily online, such as paying bills, purchasing clothing, or just sharing with friends how our day went, and how concerned consumers feel about those various online activities.

While our individual transactions and interactions have proven to be vulnerable, as highlighted by recent data breaches at Target, Home Depot, and celebrity phone hacking, an even bigger issue around data privacy lurks in the accumulation, over time, of these type of data. By aggregating information about consumers from a variety of sources, such as Twitter posts and Amazon purchases, companies known as “data brokers” are able to acquire incredibly detailed personally identifiable profiles. Further, many are concerned that it’s not just the information that these companies collect, but what they can also infer. For example, one data broker, Paramount Lists, offers a dataset with 10 million people called “Americans on a Diet” which includes an estimate of how much weight those individuals want to lose.

These concerns have now reached attention at the federal-level of government in the U.S. In May 2014, the Federal Trade Commission issued a report titled: *“Data Brokers: A Call for Transparency and Accountability.”* (A link to this report is provided at the end of this document.) The FTC’s report does a thorough review of nine data brokers, including narrative on both the benefits and risks they provide to consumers. In the report, the authors state:

“The Commission unanimously renews its call for Congress to consider enacting legislation that would enable consumers to learn of the existence and activities of data brokers and provide consumers with reasonable access to information about them held by these entities.”

October 2, 2014: This 2-part Insight Report series from CivicScience will examine consumer sentiment among U.S. adults toward the following data privacy topics:

- Internet-based data sharing and collection
- Data practices of corporations



## CivicScience Insight Report (continued)

This CivicScience Insight Report is the second of a two-part series in which CivicScience analyzes consumer sentiment related to privacy concerns, risks, and corporate practices by looking at consumer opinions on the data practices of these types of corporations and businesses in general. Are consumers as concerned as they should be? Are they even aware?

This report features several questions related to consumers' attitudes on this subject and provides analysis of the results. These privacy-related questions were launched on the CivicScience InsightStore™ intelligent polling and consumer research platform on March 26, 2014 and continued to run through September 21, 2014, when the data was pulled for this report. (The questions will remain active so we can identify trending over time.) Due to CivicScience's methodology, described more at the end of this report, each question had a different number of respondents, with each having at least 18,000 respondents. The data were weighted for U.S. census representativeness for gender and age, 18 years and older.

### How concerned are U.S. adults about many companies possessing their personal information?

Quite concerned, in fact, as 63% of 19,196 respondents answered *very concerned* and another 24% answered *somewhat concerned* in response to this question.



**Age:** The three youngest age brackets of adults (from 18 to 34), on average, were 23% less likely to answer *very concerned*. At the other end of the age spectrum, the three highest age brackets (from 45 to 65 and beyond) were 20% more likely to answer *very concerned*.



## CivicScience Insight Report (continued)

**Gender:** Men were 18% more likely not to be concerned with so many companies possessing their personal information; women were 17% less likely to answer in the same fashion. In other words, women as a whole are somewhat more concerned than men.

**Income:** Respondents in the highest income bracket (more than \$150,000 annually) were 107% more likely to answer *not concerned at all*. The only other income bracket to give the same answer more often than expected is the lowest income bracket (Under \$25,000); these respondents were 66% more likely than expected to give the same answer – and this can also be a proxy for age, as younger people generally have lower earnings.

### Do consumers feel that companies keep their best interests in mind?

The majority of respondents certainly don't appear to believe this: 56% of 18,354 respondents do not believe that companies keep consumers' best interests in mind when dealing with their personal information, and only 4% strongly believe that they do.



**So much for the cynicism of youth:** People aged 18 to 24 were 75% more likely than expected to strongly believe that these companies keep consumers' best interests in mind. The next-oldest age group, 25-29 year-olds, were 61% less likely to answer the same way.

**Gender:** Of the 18,354 respondents, men were 24% more likely to answer that they strongly believe corporations keep their best interests in mind, while women were 22% less likely to answer the same way.

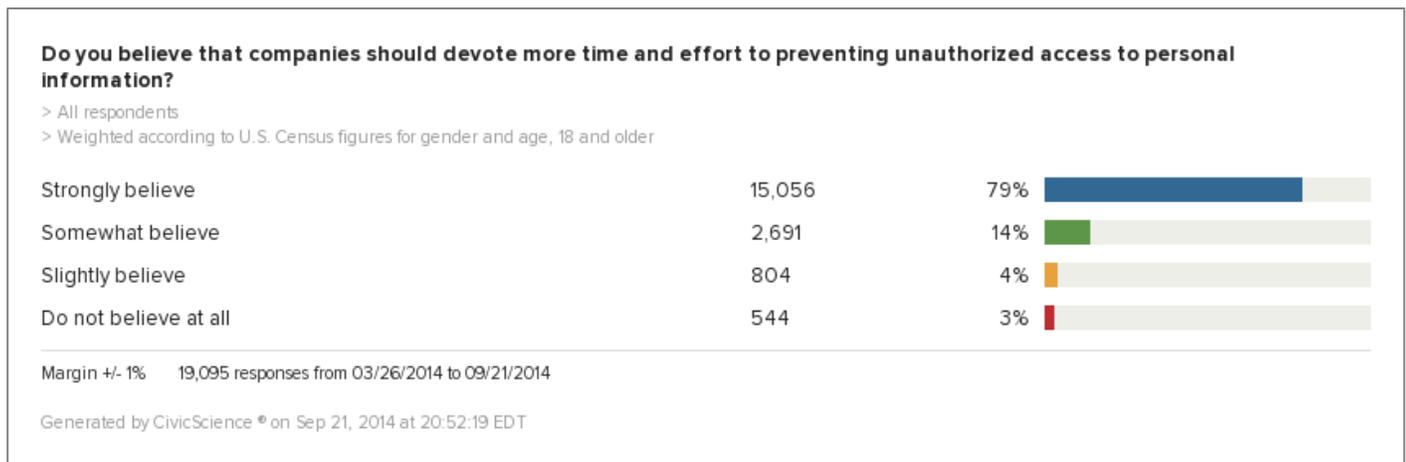


## CivicScience Insight Report (continued)

**Income:** The higher earners were far more likely to answer *strongly believe*, with the top income brackets, \$125,000 and up, 40% more likely than other income brackets to more strongly trust companies.

### Should companies spend more time and effort on personal information security?

A large majority – at 79% of 19,095 respondents – *strongly believe* that companies should spend more time preventing unauthorized access to personal information.



**Age:** We see a familiar pattern here, where the oldest age groups (45 and older) are 10% more likely to *strongly believe* that companies should spend more time and effort on personal information security. The youngest age group (18-24 year olds) is 39% more likely to answer *do not believe at all*.

**Gender:** There were no gender differences across responses for this question

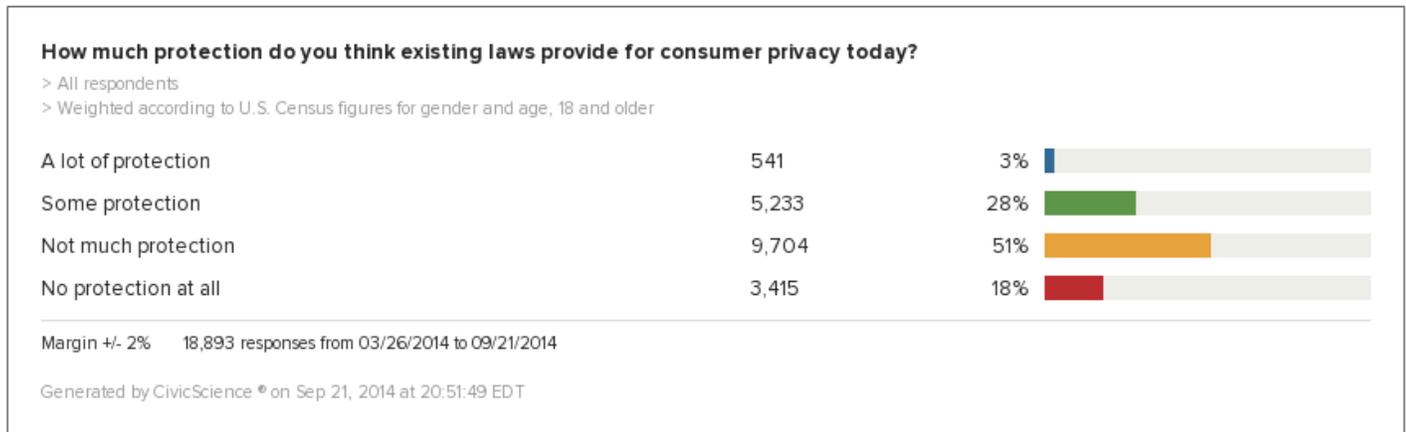
**Income:** We see the highest income group (\$150,000 and up) and the lowest income group (under \$25,000) being more likely, 66% and 44%, respectively, to answer *do not believe at all*.



## CivicScience Insight Report (continued)

### How about trust in the privacy laws?

69% of 18,893 respondents believe that existing laws safeguarding privacy offer little or no protection for consumers.



**Age:** Beliefs about the strength of privacy laws is not affected by age, i.e. age is not a consistent factor in responses to this question.

**Gender:** Men are 18% more likely to believe that laws provide *a lot of protection*, and women are 17% less likely to answer the same way. But this doesn't mean that men are much more trusting in privacy laws, as they are also 6% more likely than expected to answer *no protection at all*.

**Income:** People in the highest income bracket (\$150,000 and up) are 71% more likely than expected to believe that privacy laws offer *a lot of protection*.

### Should consumers' personal information ever be sold?

This is the most near-unanimous question highlighted in this report, with 86% of the 18,937 respondents *strongly believing* that companies should never sell consumer personal information to other companies. Whether this is a realistic belief to enforce via laws, it is certainly a convincing indictment of the business practices of such data brokers highlighted in the FTC report mentioned earlier.

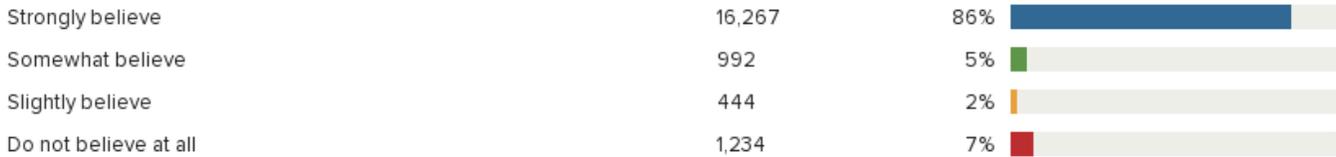


## CivicScience Insight Report (continued)

### Do you believe that companies should never sell the personal information from their customers to other companies?

> All respondents

> Weighted according to U.S. Census figures for gender and age, 18 and older



Margin +/- 1% 18,937 responses from 03/26/2014 to 09/21/2014

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**Age:** Younger respondents (18 to 29) are 40% more likely to answer “do not believe at all” that companies should be forbidden to sell customers’ personal information, whereas those 35 and older are 25% less likely to answer similarly.

**Gender:** Men and women were quite similar overall in maintaining that companies should never sell personal information.

**Income:** Similarly to gender, there were no strong consistent income effects on responses to this question.

### Summary

The results of these questions show that U.S. adults are highly concerned about their privacy as it relates to corporate use practices, with little trust in the companies that collect information and a very strong belief that the core business practices of data broker companies – re-selling of personal consumer information – should not be allowed.



## CivicScience Insight Report (continued)

Data Privacy Question	High Concern %	No Concern %
How concerned are you about giving your personal information to so many companies?	63%	3%
Do you believe that companies, in general, keep your best interests in mind when dealing with your personal information?	56%	4%
Do you believe that companies should devote more time and effort to preventing unauthorized access to personal information?	79%	3%
How much protection do you think existing laws provide for consumer protection today?	18%	3%
Do you believe that companies should never sell the personal information from their customers to other companies?	86%	7%

We hope that this two-part series has made it evident that U.S. adults are indeed paying attention to these concerns, have fairly strong opinions, and that younger and also wealthier consumers are less likely to be strongly concerned.

The measurement and tracking of consumer sentiment on these issues can provide powerful information to help corporations take steps to gain consumer trust, as well as for policymakers to help shape legislative proposals. As CivicScience continues to collect data on these questions, we will monitor for trends over time and shifts in segment-based sentiment – and we'll soon be developing questions and analysis that look at consumer behavior relative to data privacy concerns.



## CivicScience Insight Report (continued)

### About the CivicScience Methodology:

CivicScience collects real-time consumer research data via polling applications that run on hundreds of U.S. publisher websites, cycling through thousands of active questions on any given day. Respondents are 100% opt-in with no incentives or compensation; they answer just for fun and are kept anonymous, allowing for greatly reduced bias and higher levels of engagement. Respondents for this report were weighted for U.S. census representativeness for gender and age, 18 years and older, and data was collected from March 26, 2014 to September 21, 2014. Using its technology, CivicScience builds deep psychographic profiles of these anonymous respondents over time, providing valuable consumer sentiment data to the decision makers who care. The CivicScience methodology has been validated by a team of academic leaders and by independent consulting firms. CivicScience currently has more than 28 million anonymous consumer profiles stored, growing daily.

### Additional Resources:

U.S. Federal Trade Commission report on Data Brokers (May 2014)

<http://www.ftc.gov/system/files/documents/reports/data-brokers-call-transparency-accountability-report-federal-trade-commission-may-2014/140527databrokerreport.pdf>

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