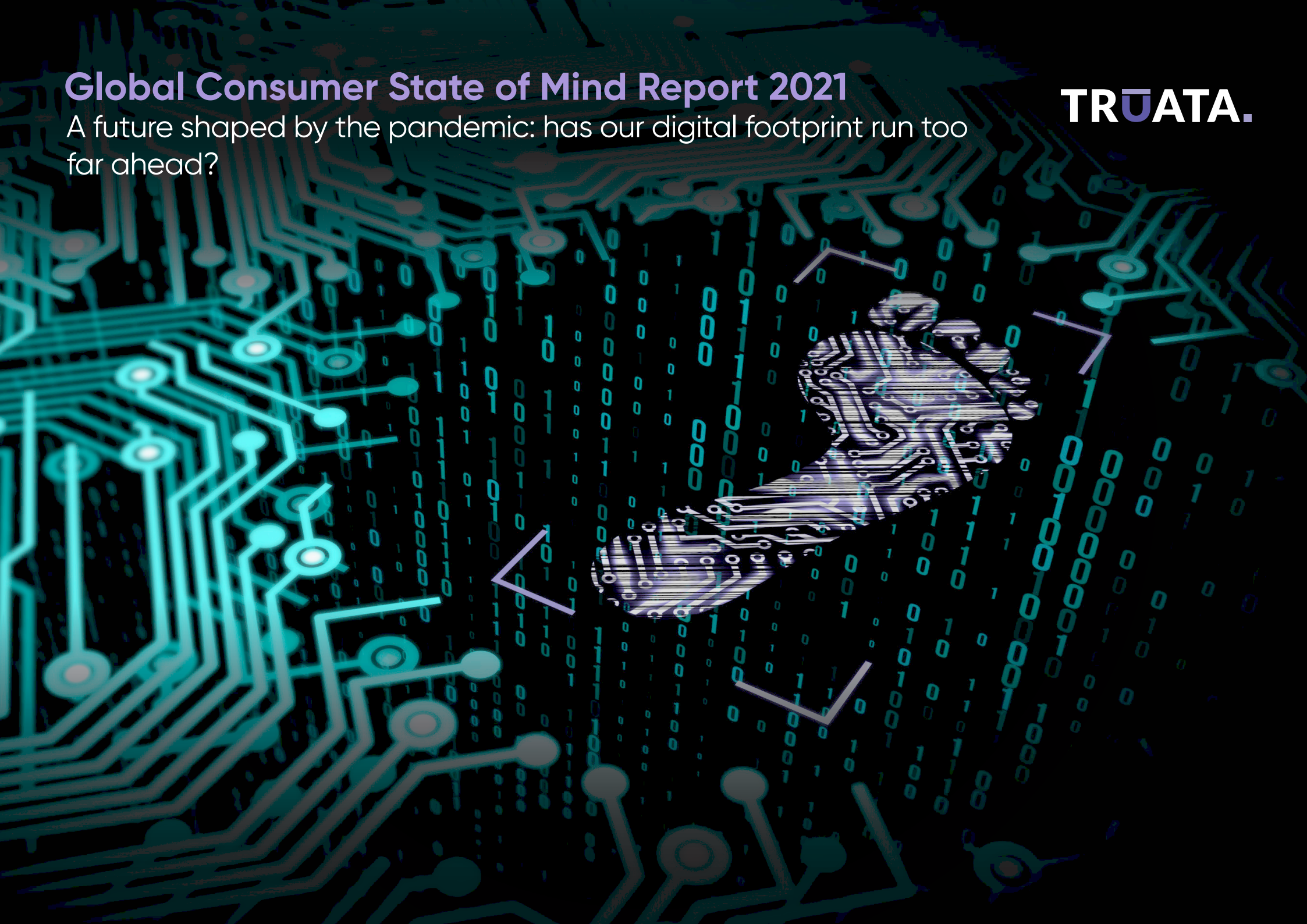


Global Consumer State of Mind Report 2021

A future shaped by the pandemic: has our digital footprint run too far ahead?

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Introduction

There's no denying the accelerated pace at which the COVID-19 pandemic has revolutionized the way we live, the way businesses operate and the way global society functions. New patterns of behavior, catalyzed by government impositions and social isolation, resulted in a seismic economic shake-up that quickly became dependent on digital technologies.

A 'go digital or go dark' dichotomy left little choice but to harness the internet and technology to stay connected in all aspects of life. Software scaffolded remote offices, telecommunications held families together and digital networks ignited reimagined social activities. Governments and health sectors turned to data and technological connectivity to curb the virus; and organizations looked to AI to expedite processes, enhance customer experiences, and decrease costs in a fast-evolving market.

However, with personal data exchanges acting as the price for entry into this new, not-going-anywhere, digitally-driven economy, the initial acceptance of—what was thought to be—a temporary takeover by our digital selves was short-lived. It quickly became apparent that there was no tracking back from the interpersonal relationships we were building with the machines around us. And the surge of data being handed over to governments, employers and brands gave rise to critical conversations surrounding immediate and future privacy concerns.

"We have set out to assess the shifting mindsets of consumers at a pivotal moment in time to derive insights that will undoubtedly shape the future of business."

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About Truata

Truata specializes in privacy-enhancing technologies for privacy risk assessment, de-identification and the true anonymization of data. The company enables businesses to unlock powerful insights with its suite of proprietary solutions, while complying with the highest global data protection standards to build trust and transparency with their customers.

**For more information visit
www.truata.com.**

With so much of life happening online, questions around safety and security came to the fore, triggering a tipping point for trust and digital privacy. Global citizens unwittingly illuminated the path to a 'new normal' by allowing their digital footprints to run ahead at speed, leaving behind data trails and identifiable imprints that are already feeding into a predictive future. And now, having felt the loss of that control, consumers are seeking to reclaim ownership and demand the protection of their digital selves.

With **77%** of global consumers having already taken steps to reduce their digital footprints, **76%** believing that companies need to do more to protect their data privacy online, and over three-quarters (**76%**) agreeing they should own their digital selves, we are indeed at an inflection point.

As a follow-up to last year's report, *'Shedding Light on Our Digital Shadow'*, we have set out to assess the shifting mindsets of consumers at a pivotal moment in time to derive insights that will undoubtedly shape the future of business. Our research spans the USA, the UK, France, South Korea and Brazil to offer you a global insight into the trends and trajectories surrounding the sentiments of consumers from all walks of life.

With revenues, reputations and trust reliant upon moving forward with a privacy-centric mindset, are businesses ready to capitalize on the opportunities that await in the post-pandemic, consumer-led data economy?



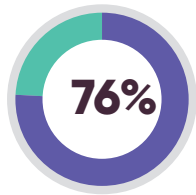
Felix Marx
CEO, Truata

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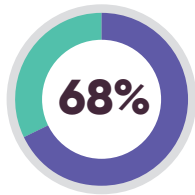
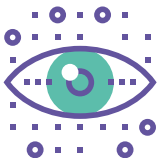


Key findings

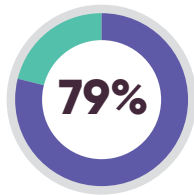
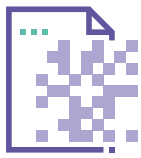
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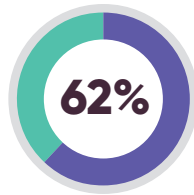
of global consumers believe that companies need to do more to protect their data privacy online



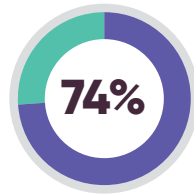
think the onus should be on brands, rather than consumers, to look after personal data responsibly



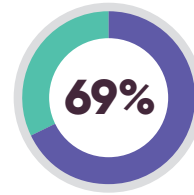
agree that their data privacy is now essential to them



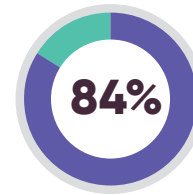
would be more likely to buy from a brand that is certified according to a data privacy standard



want stronger transparency around data governance from the brands they use



are more likely to be loyal to a brand that uses personal data appropriately

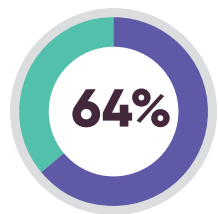


of Generation Z have taken steps to reduce their digital footprints in recent months

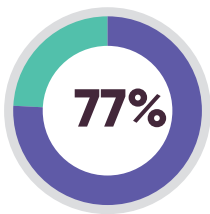


Rethinking the data economy

In recent years, the prolific generation of data has powered technological advancement, woven together our interconnected world and spurred on commercial success. With businesses becoming acutely aware of the lucrative value of leveraging data, it comes as little surprise that 7 of the 10 most valuable companies in the world today are tech companies that either directly generate profit from data or use data at the core of what they build.



of global consumers agree that their use of technology has increased



of global consumers have taken steps to reduce their digital footprints in recent months

In a bid to bring the laws up to speed with fast-evolving tech and to hold organizations to account, a new wave of stringent data privacy regulations have come into force globally. Inspired by the resoluteness of the GDPR, countries have sought to balance commercial interests with individuals' rights by creating new rules of play for the data-led economy.

However, with the pandemic triggering new levels of reliance on technology and, therefore, an expansion of digital footprints, consumers are calling for more than just compliance. They are demanding transparency and evidence of effective data protection practices that don't encroach upon personal privacy.

"Technological adoption has taken a quantum leap forward and global society has witnessed years of change happening almost overnight. The consequential data deluge has amplified the expansion of digital footprints and triggered consumer fears over the future of AI and predictive analytics. In a big data world, privacy-by-design programs are the key to earning trust and cementing long-term loyalty."

Ivana Bartoletti

Technical Director – Privacy, Deloitte

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Ivana Bartoletti
Technical Director – Privacy,
Deloitte

Despite once welcoming the convenience, personalization and enhanced experiences being served up by progressive technology, more and more consumers are realizing the invasive cost of being a cog in the big data value engine.

No longer is it a handful of privacy activists speaking up; it is a global wave of digitally-savvy consumers who are voting with their virtual feet and abandoning brands that do not act responsibly with their personal data.

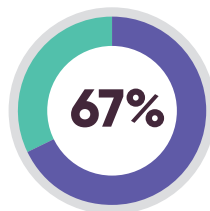
“More and more consumers are realizing the invasive cost of being a cog in the big data value engine.”

As well as serving as a catalyst for accelerated digital transformation, the pandemic has pushed privacy to the forefront of commercial conversations with an understanding that it will be a key business differentiator as we step out into a post-COVID world.

Influenced behaviors: losing track of the digital self

Over the past 12 months, since the pandemic began, almost two-thirds (64%) of global consumers agree that their use of technology has increased, with 49% feeling that COVID restrictions forced them into expanding their digital footprint. This is a figure that rises to 55% amongst Millennials and jumps to over two-thirds (67%) amongst Brazilian consumers, setting the tone for the global sentiment surrounding the compromise on privacy.

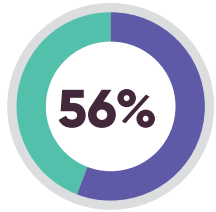
Inevitably, the impact of these forced behaviors has led to increasing amounts of personal data being shared, to the point where consumers are retrospectively assessing whether they have lost ownership of their digital selves as a result of the pandemic. In fact, almost half of global consumers (47%) have admitted to using technology solutions that they wouldn't have previously opted to use due to privacy concerns; a statistic that jumps to 60% among business owners and senior managers, perhaps pointing to a speed-over-security approach to sustaining business efforts during uncertain times.



of Brazilian consumers feel that COVID forced the expansion of their digital footprint, compared to 49% globally

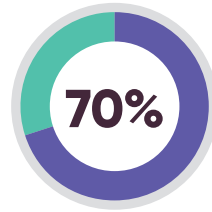
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“Almost half of global consumers (47%) have admitted to using technology solutions that they wouldn't have previously opted to use due to privacy concerns; a statistic that jumps to 60% among business owners and senior managers.”



in South Korea have lost control of how much data is stored about them, compared to 48% globally

As a consequence of having to adapt to life in a predominantly remote world, and with more understanding about how personal data fuels commercial markets, 48% of global consumers are now conceding that they have lost control over the amount of data that has been stored about them during the past year. This feeling is amplified in South Korea where, despite being one of the world's most technologically advanced and digitally connected countries, 56% of consumers feel that they have lost control over the amount of data they have had to share.



of global consumers now want to reduce their digital footprints

The consumer concern, however, is not only around handing over that data; there are increasing fears over the way in which data is being stored and used by organizations. In the past two years alone, over two-thirds (67%) of Millennials have had at least one problem with how their personal data has been used, with issues ranging from those who have had to tolerate spam emails and the unconsented sharing of their data, to those who have been informed of a data breach or fallen victim to fraud after sharing personal data.

It should come as no surprise, therefore, that 7-in-10 global consumers (70%) now want to reduce their digital footprints, despite the positive role that technology has played in keeping them connected. From the already high levels recorded in 2020, UK consumers wanting to reduce their digital footprints rose from 67% to 70% over the past year, and there was a rise from 69% to 72% in the USA.

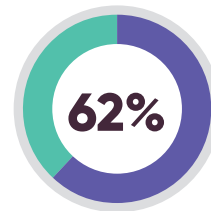
Consumer priorities: is privacy the new sustainability?

Just as sustainability became an influencing factor of purchase intentions over the past few years, privacy is set to do the same as consumers seek out products and brands that align with their personal values.

Respecting privacy is now critical for organizations that want to maintain trust and retain loyalty. Over 6-in-10 (62%) global consumers are in agreement that data privacy is a key differentiator when choosing to engage with a brand or product, a statistic that rises to 65% in the USA and is echoed by more than three-quarters (78%) of Brazilian consumers.

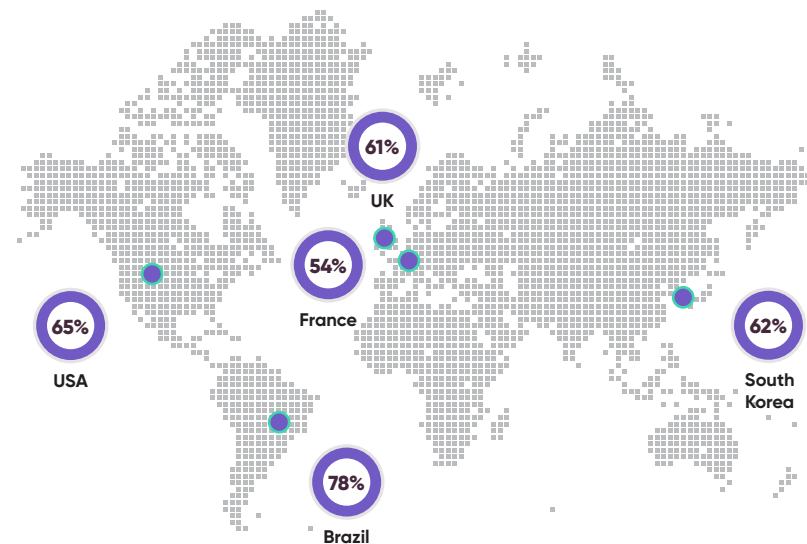
In a privacy-conscious world where consumers are calling on companies to ditch complex privacy policies for proactive data protection strategies, agility is everything. 62% of global consumers agree that they would feel more reassured and would be more likely to buy from a brand if it were officially certified according to a data privacy standard; this is a consumer call that is echoed in the UK (63%), South Korea (64%) and Brazil (71%).

The opportunity to gain a competitive edge, therefore, sits with responsive leaders who step ahead with consumer foresight. Knowing that an emerging market exists for solutions that can assist with providing the privacy assurances that consumers are demanding, forward-thinking organizations are tapping into privacy-enhancing technologies (PETs) to gain ground at pace.



of global consumers agree that data privacy is a key differentiator when engaging with a brand or product

Consumers agreeing that data privacy is a key differentiator



Long-term consumer loyalty

Artificial Intelligence (AI), machine learning and deep learning are opening up new opportunities to harness the power of predictive models to transform data into future insights. However, while predictive analytics can create enhanced business outcomes by foreseeing consumer behaviors, there are inherent challenges with data management and personal data protection.

Indeed, consumers have become increasingly aware of the reliance on personal data and insights that brands leverage to interact with them. However, the AI phenomenon is still relatively new and, with heightened understanding of how their data feeds the engine, fears around the future of privacy and the complexity of regulatory control are making consumers more cautious.

With prolific levels of data and advanced technology at their fingertips, brands have the ability to lose or leverage consumer loyalty in the way that they choose to move forward. Demonstrating a responsible and ethical approach to innovating and enhancing customer experiences is, therefore, critical to building trust and retaining long-term loyalty.

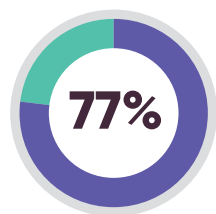
The age of the digital creep: hyper-personalization threatens privacy boundaries

Speed, convenience and 'you-read-my-mind' experiences: progressive tech has certainly enabled consumers to have it all, in exchange for personal data. However, the growing investment in AI, to harness the prolific explosion of data, is stirring a sense of discomfort amongst consumers and regulatory authorities alike.

"A paradox is now at play: consumers want personalization and privacy; they want innovation but not invasiveness."

Statistically, consumers have shown they are ready to pay more for a personalized experience. As a result, organizations are developing hyper-personalization strategies to meet their heightened expectations. Leveraging omni-channel data from the multiple devices of modern-day consumers enables organizations to personalize experiences right across the buyer journey – which, in turn, rewards them with revenue and customer loyalty. However, a paradox is now at play: consumers want personalization and privacy; they want innovation but not invasiveness. There now exists a point of no return when consumers feel that brands have crossed 'the creepy line' with their personal data.

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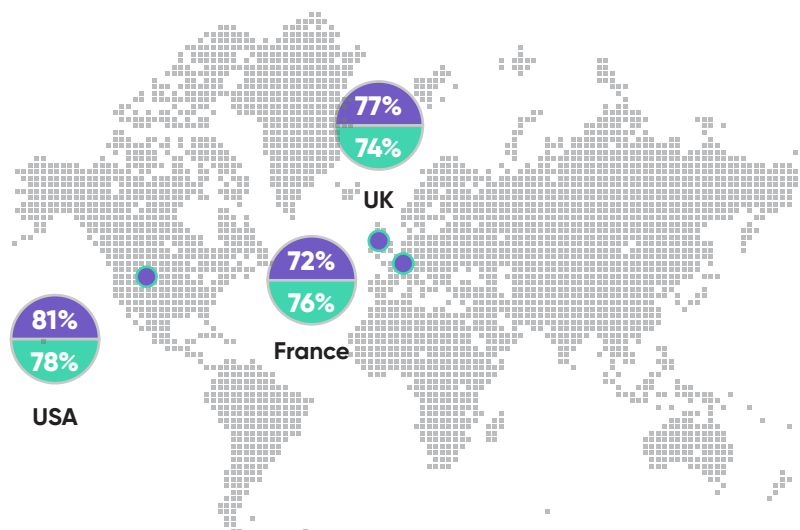


of global consumers have taken steps to reduce their digital footprint, with the number of those doing so rising between 2020 and 2021 in both the UK and the USA

Key ● 2021 ● 2020

Almost 6-in-10 global consumers (59%) feel worried that businesses have overstepped the mark when it comes to data usage during lockdown, with the sense of violation heightened to almost two-thirds (65%) of South Koreans. Setting the bar of tolerance, 60% of consumers in the UK and the USA agree that they would prefer not to have access to personalized offers if it means that brands cannot track them or their shopping behaviors, a statistic that has risen over the past year and sits at a global average of 55% in 2021. Speaking volumes for the future of privacy, almost 6-in-10 global consumers (57%) have already stopped using brands that 'stalk' them online, a figure which jumps to 67% in South Korea.

Year-on-year comparison of consumers taking steps to reduce their digital footprints



With 61% of global consumers signaling that they intend to reduce their digital footprint as the world opens up again, the steps already being taken indicate that organizations should tread with caution. Over three-quarters (77%) of UK consumers and 78% of Brazilian consumers have already actively taken one or more steps to reduce their digital footprint, and this rises to 81% of consumers in the USA, up from 78% in 2020. Despite insisting on convenience as they likely shape the future of shopping, 84% of Generation Z have taken steps to reduce their digital footprints, highlighting their underlying desire for privacy.

In the pursuit of hyper-personalization, finding that fine line between algorithmic 'coolness' and algorithmic 'creepiness' will be what commands the respect and long-term loyalty of consumers.

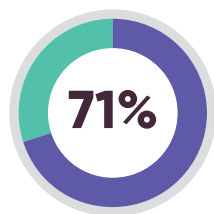
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"In the pursuit of hyper-personalization, finding that fine line between algorithmic 'coolness' and algorithmic 'creepiness' will be what commands the respect and long-term loyalty of consumers."

Beyond data governance: an evolving landscape

Technology has always advanced at a rate that the law has struggled to keep up with, but data privacy has become such a worldwide concern that countries are aggressively pushing to bring about change. Many are seeking to draw parallels with the GDPR – efforts that have not gone unnoticed. In fact, following the impact of its Lei Geral de Proteção de Dados (LGPD) regulations, 61% of Brazilian consumers believe that data governance is stronger now in Brazil than it was 12 months ago, with 65% of the country's Millennials observing the strengthening boundaries of privacy.

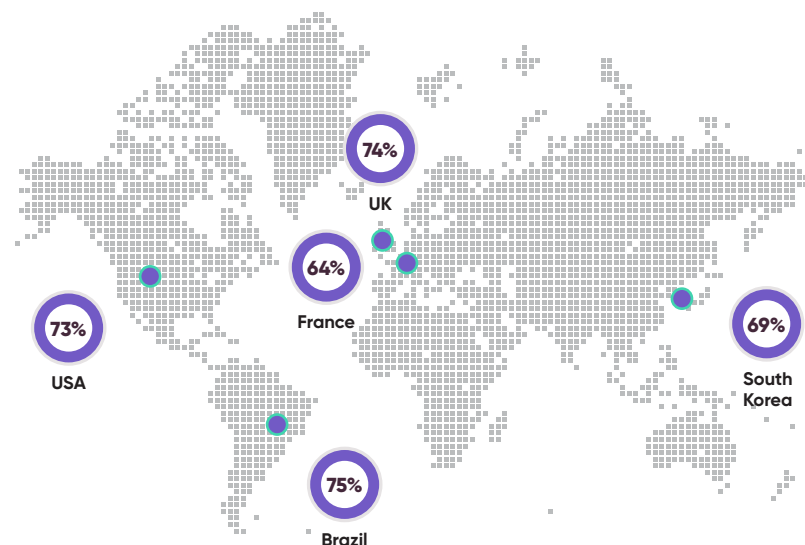
However, while over 7-in-10 global consumers (71%) agree that independent regulation of data protection is more important now than ever before, they are also using their voice to try and ignite further change,



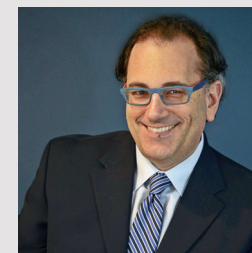
of global consumers agree that independent data regulation is now more important than ever

knowing that rules alone are not enough. With just over 6-in-10 global consumers (61%) agreeing that most companies don't really believe in the importance of data protection but see it as a 'tick-box exercise' for regulatory purposes, it is clear that organizations who move beyond compliance and demonstrate clear accountability to consumers will reap the rewards. Interestingly, in the USA, where federal privacy legislation is yet to come into force, 62% of consumers are not convinced that organizations believe in data protection beyond legal compliance, a statistic that has risen from 56% in 2020.

The global importance of independent data regulation to consumers



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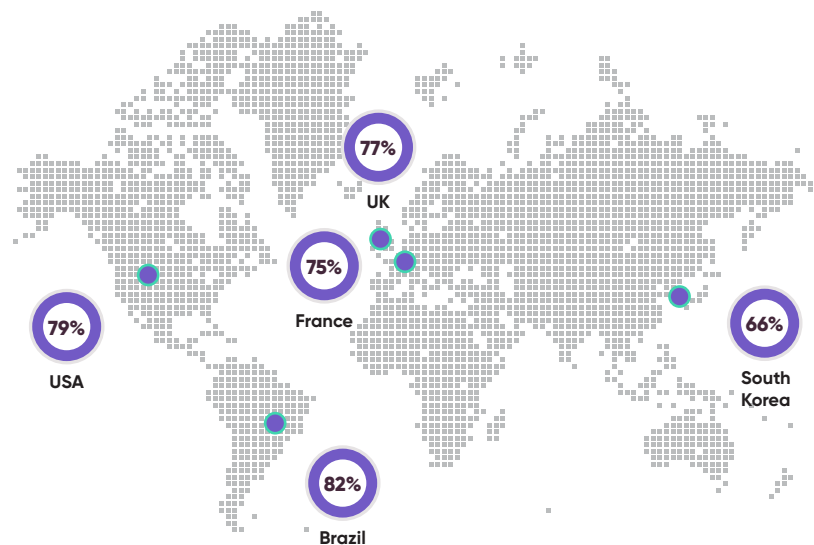
"The pandemic has compounded concerns over data-driven economic advancements. Consumers around the world are calling for accountability and transparency from all those who are leveraging data to gain ground, drive growth and advance new products and services.

In order to move towards a trusted digital economy, organizations must understand the weight that privacy holds in the eye of the consumers, not just the regulators."

Jules Polonetsky

CEO, Future of Privacy Forum

Consumers across the globe agree that more needs to be done by brands to protect their privacy



Consumers want brands to proactively demonstrate a commitment to tackling privacy concerns. Just under 7-in-10 (68%) global consumers agree that 'the onus should be on companies to look after personal data responsibly' rather than the consumer having to read legal policies. This rises to 69% in both Brazil and South Korea, and 72% in the UK, up from 70% in 2020.

The value that consumers now place on privacy in a digital world is only set to be reinforced over the coming months and years. With just over 6-in-10 global consumers (62%) agreeing that 'in two years' time' their 'data privacy will be more important to [them] than it is now', and almost three-quarters (74%) of global consumers calling for stronger transparency around data governance, specifically from brands.

The sweeping sentiment around the world is the belief that 'more needs to be done by brands' to protect privacy. Despite the fact that South Korea is considered to have one of the strictest privacy laws in Asia, two-thirds of consumers (66%) still believe that more needs to be done by brands to protect their privacy; and this belief is echoed by 75% of consumers in France, 77% of consumers in the UK, 79% of consumers in the USA and 82% of consumers in Brazil.

The time to step up, to step ahead, is *now*.

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"Despite the fact that South Korea is considered to have one of the strictest privacy laws in Asia, two-thirds of consumers (66%) still believe that more needs to be done by brands to protect their privacy."

The analytical advantage: shaping a data legacy post-COVID

Striking the right balance between technology, quality data and consumer privacy will become crucial to the success of data-driven organizations, and particularly those looking to leverage predictive analytics as a catalyst for growth and innovation.

As data privacy continues on its upward trajectory of importance to consumers across the globe, it will be the brands that move with agility and transparency that will reap the rewards of tackling consumer concerns head on. Threat rigidity and an escalation of commitment to the status quo, particularly in times of uncertainty brought about by the pandemic, will undoubtedly separate the leaders from the laggards. As such, those who are already attuning themselves to rising consumer calls to be seen as people rather than patterns, and to protect privacy before profit, will be those who strengthen their market position.

Those who hold the data own the future, but only if they adopt privacy-centric strategies that place consumers at the core.

Life beyond COVID: where is all my data and what do you plan to do with it?

As we edge towards a post-pandemic world, global consumers are dwelling on the data deluge driven by their behaviors. Not only have they been living an online life that has led to an expansion of their digital footprints, but they have also forgone data in order to help governments to track the pandemic and try to bring about the speedy recovery of life as it once was. Now, however, there are question marks over the future of that data storage and use.

Almost 6-in-10 global consumers (58%) agree that they are concerned about what the scale of their digital footprint looks like beyond the COVID-19 pandemic, with two-thirds (66%) of global consumers saying that they have 'no idea about how much of [their] personal data is collected and what it is used for'.

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"The expansion of our digital footprint during the past year has left consumers questioning what's happening with their personal data. Brands that act with a sense of openness and transparency with regards to these concerns will be the ones who win the hearts and minds of their customers, as they plan their COVID-19 exit strategy."

Doug Laney
Data & Analytics Innovation
Fellow, West Monroe

Featured in the Global Top 100
Data Visionaries

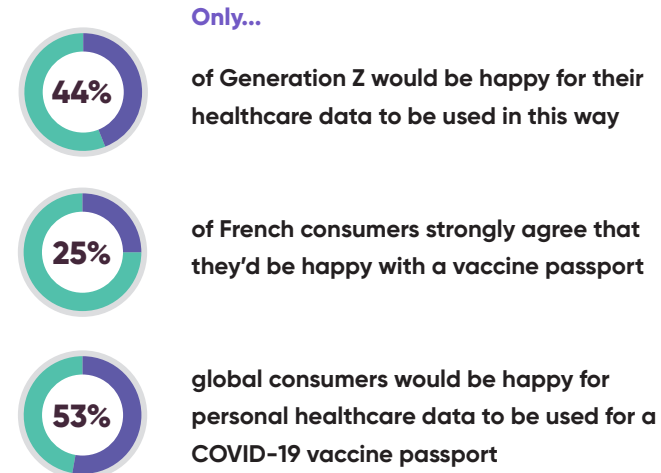
As organizations look to harness more and more data, they should be mindful of a potential wave of consumer attempts to conceal data, which could impact the quality and accuracy of insights. Taking provocative steps to stress the importance of privacy, some consumers have actively sought to avoid handing over personal data, with just under one-third of global consumers (32%) admitting that they 'masked [their] age online on one or more occasions in order to protect [their] digital identity' and 31% of global consumers having 'purposely used an incorrect alias to manage [their] online persona in the last year' alone. Such tactics have been more widely tested by South Korean consumers, with **over half (51%) believing that 'having multiple online personas is a way to manage [their] data privacy'**.

Privacy concerns are not limited to purchases either. Over half of global respondents (54%) are concerned about 'what will happen to their personal healthcare data after the COVID-19 pandemic is over', a statistic that rises to 57% in South Korea, 58% in the USA and 61% in Brazil. Despite the freedom that could be brought about by the introduction of a vaccine passport, there is a clear global consensus, particularly amongst the younger generations, that the vaccine passport could be

an intrusive form of data surveillance and a risk to their privacy. Only 44% of Generation Z would be happy for their personal healthcare data to be used for a COVID-19 vaccine passport, with the concept of the passport being least entertained in France, where only 43% of consumers would be happy to share their healthcare data.

The insights signal a need to build trust so that the global general public understands how their data is being stored or used, and how their privacy will be protected as the data economy continues to evolve.

Vaccine passports are causing concerns over data privacy



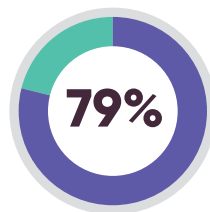
Gaining the competitive edge: the ROI of privacy

Rather than allowing the data trust crisis to continue on an upward trajectory that could see a further increase in the number of global consumers concealing their personal data, the time has come for future-thinking organizations to conceal it for them. With a growing awareness around data protection strategies, over half of UK consumers (54%) are 'happy for [their] data to be tracked or analyzed as long as it is anonymized first', a number that will likely rise as consumers become more familiar with the emergence of privacy tech.

With almost 8-in-10 global consumers (79%) agreeing that 'data privacy is essential to [them]', a statistic that spikes at 88% in Brazil, there's little doubt that a pivot towards privacy is a pivot towards profit.

Over 6-in-10 global consumers (65%) agree they 'will engage/shop with brands that tell [them] exactly what they will do with [their] data', a statistic that has risen from 65% in the USA in 2020 to 69% in 2021, and jumps to 77% in Brazil. 60% of global consumers also agree that they would 'spend more money with a brand' that they trust with their personal data.

But the impact doesn't stop at a one-time purchase. There is also a clear correlation between consumer privacy and consumer loyalty. Just over two-thirds of UK consumers (67%) agree that they would 'stop using/



of global consumers now agree that data privacy is essential to them

buying from brands if they don't demonstrate that they care' about responsible data use, a statistic that rises to 72% in Brazil and is echoed around the world with 64% of global consumers citing the same. For the proactive, data-driven brands that strive to place privacy at the core of commercial strategy, the return is long-term loyalty, with almost 7-in-10 global consumers (69%) agreeing that they are 'more likely to be loyal to a brand' that 'uses (their) personal data appropriately.

In a privacy-centric, post-pandemic world, it will be those brands who look toward emerging technologies and automation that will be able to cut through the torrent of consumer concerns, shake off the privacy paralysis, and begin to take advantage of the data opportunity ahead of them. The analytical advantage is no longer gained by how much data you have at your disposal but how much privacy plays into your commercial mindset.

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"There's a general perception that irresponsible data practices are limited to the big e-commerce brands of the world, but this report shows consumers are issuing a warning to governments and healthcare organizations too. They are clearly concerned over what will happen to their private data once the pandemic is over, and data surveillance issues regarding the vaccine passport."

Doug Laney
Data & Analytics Innovation
Fellow, West Monroe

**Featured in the Global Top 100
Data Visionaries**

Conclusion

Having momentarily de-prioritized privacy for the virtual freedoms presented by an unprecedented pandemic, consumers have had time to reflect on the world as it once was, as it is today, and as they want it to be tomorrow.

While innovation, personalization and on-demand convenience have become essential consumer requirements in a hyper-connected world, the call for a transparent commitment to protecting digital identities now sits at the cusp of commercial success in a data-driven economy.

When it comes to privacy, brands and governments will need to tread with caution to keep consumers and citizens onside. With data and surveillance capitalism having come to the fore of conversations around the encroachment on personal privacy that has propelled the Internet of Things (IoT) forward, consumers are using their voices and their virtual feet to take progressive steps towards an Internet of Trusted Things (IoT).

Consumer trust and data privacy are intrinsically linked by loyalty. With their digital footprints running ahead of their physical selves, particularly over the past 12 months, consumers will be seeking to backtrack and retrace their steps to regain control. As privacy becomes a fundamental differentiator for purchase intentions and brand loyalty, it will be those who understand the power of pivoting to privacy-driven analytics that will gain a competitive edge, and have the ability to maximize business value.

The opportunities that await in a redefined, data-driven economy are limitless when you lay the boundaries of privacy with consumers at the core.

"The call for a transparent commitment to protecting digital identities now sits at the cusp of commercial success in a data-driven economy."

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About the Global
Consumer State of
Mind Report Series

Truata sits on the nexus of privacy and analytics. As an independent data trust, our research-based reports provide a detailed overview of the global privacy mindset and its wider implications for organizations around the world, as well as best practices to prepare for consumer shifts that are informing global markets.

Methodology

Arlington Research, an independent market research agency, conducted 8,000 interviews in the UK, France, Brazil, South Korea and the USA, across a nationally representative sample of consumers. In the UK, France and the USA, 2,000 respondents were surveyed per country. In Brazil and South Korea, 1,000 respondents were surveyed in each country. Nationally representative samples were achieved in all countries; this was based on gender, age, region and employment status. Age ranges referred to in the report are defined as follows: Generation Z (those born between 1994–2001), Millennials (those born between 1980–1993), Generation X (those born between 1965–1979), Baby Boomers (those born between 1946–1964) and the Silent Generation (those born before 1946).

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