

Consumers and Privacy



Consumer Privacy: choice, clarity, control

Background

Consumer privacy is a subject never far from centre stage – more so recently than ever before, as unprecedented volumes of data and information flow online. The high profile social networks have accelerated concerns around the protection of consumers' privacy. As a consequence, advertisers that use data and information online have faced questions and the need to legislate is being hotly debated both within and outside the industry.

This is, however, not a new issue. From the earliest political campaigns that used postcode data to target marginal seats, to shopper loyalty schemes and more recently, the intelligent use of data by online retailers to highlight relevant products based on previous online behaviour, consumer data has been applied to communication strategy to make it efficient, effective and relevant.

However, it is online advertising that seems to be bearing the brunt of the criticism – and proposed legislation. But is this well founded? In attempts to protect the consumer, have we in fact bypassed the opinions of the very consumers we want to protect? Privacy is a complex and multifaceted theme that cannot be understood in simple black and white terms.

Specific Media has worked with the IPA on a consumer-centric research project in an effort to better understand the issue, and the implications for advertisers. Rather than go down a quantitative path – which to date seems to have produced some nice headline grabbing statistics but little overall value – Specific Media engaged Decipher to create a qualitative methodology. Taking a deep, three hundred and sixty degree view the research examines privacy, the online environment and advertising's position within this. The research has produced some interesting findings:

Consumer Apathy

Consumers are overwhelmingly relaxed about the issue of privacy online. From online shopping to personal details on social networking sites, consumers feel secure and in control – they are comfortable with the volume and nature of information that is stored online about them, be it email address, stored credit card details or their relationship status. There exists no revolutionary vanguard about to unleash its wrath on the advertising industry.

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The Cookie Crumbles

This relaxed perspective extends into the way data and information is collected. Awareness of what a Cookie is amongst consumers is low – although general sentiment is negative, with consumers citing a myriad of explanations from Anti Virus software to pop up advertising. However, importantly, when the Cookie and its usage is explained, consumers are quick to grasp the benefits – from time saving when logging in to the convenience of not having to enter card details when shopping.

Advertising Perspective

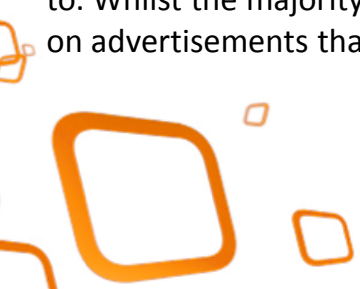
Apathy and comfort are two themes that extend into consumer sentiment around online advertising too. Consumers are aware of behavioural based advertising, although less aware of the logistics behind it – many believing it to be co-incidental that they see advertising that is pertinent to them. It certainly is not something they spend too much time thinking about. Discussions lean towards the positive, with consumers in favour of viewing advertising that is relevant to them and even seeing it as adding value to the browsing experience. When contrasted with the prospect of advertising not based on behaviour or interest consumers are firmly in favour of the Cookie being used to serve advertising better suited to them.

Is retargeting seen differently?

Retargeting has grown in prominence rapidly – it is certainly the most visible form of online advertising based on behaviours, and this is acknowledged by consumers. Whether it is seeing products they have already purchased, products they have decided they cannot afford, the very obvious use of previous behaviours, the somewhat persistent nature of the messaging, the pushy feel of communication or simply the sheer volume of advertising, sentiment is certainly less apathetic. Retargeting is not given a firm thumbs down, but there is definitely a need for advertisers to acknowledge its properties and their potential impact on consumers – and the potential negative effect it could have on their brand. The need for intelligent application and best practice around frequency are certainly areas to consider – there is a fine line between irritation and success.

Education and Expectations

A clear thread running through the research was the idea of control. Consumers are relaxed about the use of their data for relevant advertising – in most cases they even encourage it. However, they also appreciate the idea of a source of information to turn to. Whilst the majority cite that they would be unlikely to pursue this, the idea of a logo on advertisements that they could click on should they need further information or wish to opt out is looked upon favourably, endorsing the advertising with a stamp of legitimacy and presenting consumers with an option to take action if they wish.



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The Complexity of Privacy

Taking the time to understand consumers' views of privacy and online advertising has illustrated that there is a complex and often intertwined set of factors at play. However, what is clear is that whilst this may be a prominent issue for those in the industry, and those that legislate on the industry, it is far less prominent for the consumer.

Proactive steps, such as the use of logos on advertisements that allow online consumers to pursue more information and take control if they wish, are exactly what the consumer expects. Whether it is direct mail based on a consumers postcode, a 30 second spot based on TV programme content or an MPU served based on a consumers online interests – advertising based on an individual's preferences and interests is neither a new, or controversial, topic for the consumer.

Previous research has either not taken a consumer centric approach or has been structured in a manner that simply scratches the surface and fails to appreciate the complexity of the privacy issue. This deep dive into consumer sentiment provides us with a rich layer of understanding and insight that can be used to create and deliver successful and effective advertising that places the consumer at the heart.

About the research:

Research was conducted w/c 28th April 2011 at the iBurbia studios in Chiswick, London. Decipher ran 10 semi structured interviews of regular internet users, covering a mix of social grades, ages and gender splits. Interviews were for 60 minutes and included the use of visual stimuli around the concept of privacy and advertising.