McCANN
WORLDGROUP

EXECUTIVE SUMMARY
THE TRUTH ABOUT PRIVACY

Introduction

The topic of personal privacy has been in the public discourse for centuries and became a cultural issue well before the Internet was a glint in history's eye. In fact, the introduction of the postcard in the late 1800s sparked much public debate about how people's correspondence would remain private in the face of such an innovation.

Fast-forward to 2011, and a data breach seemed to be reported semi-regularly in news headlines. And today, we are surrounded by devices that watch, measure and report on our behavior in our day-to-day lives, while from a legislative standpoint, governments are interrogating the social media companies that purportedly keep us connected to one another.

Within this context, McCann Worldgroup Truth Central has studied the culture of privacy for the past seven years, focusing not on the technological innovations themselves, but rather starting from a place of culture. How do real people think and feel about this topic? What matters most to them, and how can we as brands create solutions that respect privacy while continuing to innovate in ethical and transparent ways?

Today's Privacy Landscape

While the nature of our privacy concerns has evolved, the willingness to share data is surprisingly robust. Despite a near-constant influx of media about data breaches, not to mention the 2018 revelations involving Facebook and Cambridge Analytica, we were surprised to find that people are seemingly more willing to share data than in previous years. For instance, in 2015, 54% of people said they were happy to share shopping data with brands. In 2018, it's 64%.

What's Going On?

If there is concern around this issue, why are people still willing to share their data? In many ways, we found a growing gap between "theoretical" fears and the everyday reality of our lives. It's hard to argue against the time-saving, financial and emotional benefits that sharing data offers in a modern world.

This extends to both the convenience of everyday life and to modern ways of forming connections. Said another way, it's as if *our privacy attitudes have matured*. People have metabolized their fears and developed strategies for dealing with some of these issues on their own terms.

Where Does This Leave Brands?

Taken together, our findings still indicate that brands should be proactive in addressing the complexities of the privacy landscape in today's culture. Why? Because before we celebrate the fact that 57% of people now say they're willing to share data with brands, this still means that a sizable 43% are not.

While people may not be aware of all the ways in which their personal data is being used, there is a sense that there should be more transparency. More significantly, when we look at trust in individual brands to "use my data wisely," we see that *trust in brands across the board has fallen*.

Ushering in a New Era of Data Leadership

Given that 85% of people believe the Internet is evolving faster than our ability to keep it safe, this is the moment for brands to deepen their understanding and step up in new ways. True leadership from brands can co-create a positive privacy future for all.

1. Understand how the future will be shaped.

The future of privacy will most certainly be shaped by cultural and demographic differences. For example, Chinese respondents are far more enthusiastic about A.I. products than people in other markets. As we look to China's openness to data, it will have important implications for the future of innovation and global privacy. At

the same time, the younger generation globally is demonstrating behavior at the sharp edge of privacy, illustrating a potential sea change in sharing habits. Far from the commonly held stereotypes, there is a rising subculture of youth taking a more thoughtful approach to sharing information about themselves.

In order to lead the privacy conversation effectively, brands must be hyperaware of these nuanced attitudes to data and privacy across cultures and demographics.

2. Offer meaningful compensation.

In 2015, we created a *Hierarchy of Compensation* model to demonstrate the different ways brands can use data to add value to people's lives. At the top of the pyramid is when brands use their customers' data in ways that make their lives better. Since then, we've seen that brands delivering against the top of the pyramid are gaining customers and loyalty. This "value exchange" manifests in many ways and often in ways we, as marketers, may overlook.

To be a true leader in the privacy space, brands must optimize the value exchange with customers, focusing on higher-order benefits while not losing sight of the basics.

3. Champion ethically sourced data.

Much like our increased concern about the "sourcing" of our food in recent years, a similar conversation is developing when it comes to sourcing data in an ethical way. To navigate this space responsibly, it will be critical to understand where the new lines are: where people are open to having brands in their lives, and which places are more off-limits.

In a world of shiny new technology objects and deeper data-mining tools, more and more often the filter that brands will need isn't, "Could we?" but, "Should we?"

4. Apply a deeply human lens.

As the privacy conversation moves to the forefront of people's minds, it will become ever more important to speak to people about the topic on their terms. When marketers think about "personal data," they're thinking about targeting opportunities and spreadsheets; when real people think about their "data," it's their treasured memories, photos, texts, and messages.

Fundamentally, the privacy conversation is a human one, and we need to bridge the gap and build a more deeply human language to connect with people.

For brands, there is a critical conversation to be had about humanizing the data conversation and helping people understand how their precious data is being used.

This is a critical cultural moment for brands and privacy. Marketers need to move beyond mere compliance and emerge as true leaders in this space. As more cracks in the system are identified, it is imperative that marketers operate on an ethical level and focus on a fair value exchange with their customers.

With this lens, brands will be able to move beyond policy box-ticking to something closer to a clear privacy philosophy. This philosophy can sit at the heart of the brand and be a guiding force in our rapidly changing world. ●

METHODOLOGY

This study relies on quantitative and qualitative research findings from 2011, 2015 and 2018.

Survey across 5 quantitative markets consisting of 5,000 nationally representative respondents globally (U.S., U.K., China, India, Chile). Qualitative research consisted of group discussions in the U.S. with "Gen Z" and "Gen X" participants.