SHARING FOR VALUE!

Results from a survey in 10 Telenor markets on privacy concerns and personalized services

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SURVEY ACROSS 10 MARKETS

Many new mobile and Internet services are personalized. Providers of such services need to know their customers, and this happens through collecting and analysing a wide range of personal data.

At the same time, recent studies[1] show that consumers feel they have lost control of their personal data, and that they do not know enough about how their data are used.

To understand more about how consumers view privacy and do trade-offs between privacy and personalized services, Telenor Research decided to run a survey in ten of Telenor´s markets (Norway, Sweden, Denmark, Serbia, Hungary, Bulgaria, Pakistan, India, Thailand and Malaysia). The survey was conducted in April/May 2015 and targeted consumers aged 18 or older with Internet (100%) and smartphone (85%) experiences. The sample included 5100 respondents, both Telenor customers and non-Telenor customers.[2]

[1] For example Eurobarometer, 2015: Data protection. Published in June 2015. The survey include 28.000 respondents

[2] All questions have a 5-point likert scale, and positive response is reported as the two highest points in the scale

KEY FINDINGS

High privacy concerns across all markets. **72%** state that apps and Internet services are collecting too much data about them.

The cost sensitive, the elderly, and those with bad privacy experiences are the most privacy concerned.

In general people are positive towards personalization. They find personalized services more attractive than personalized advertisements, and the willingness to share corresponds to this preference.

Asians are more willing than Europeans to share personal data for the benefits of personalization.

People want to control their personal data and they value highly a warranty that their data will not be sold (**91%** across the markets).

On average, trust in service provider increases the consumers' willingness to share personal data by a factor of three.

Mobile operators are more trusted than Internet and social media companies.

HIGH PRIVACY CONCERNS ACROSS ALL MARKETS

72% are concerned that apps and Internet services are collecting too much data about them

74% are concerned that their data might be used for unapproved purposes

75% consider they have lost control over the collection and use of their personal data

72% agree or strongly agree with the statement "I am concerned that apps and Internet services are collecting too much data about me". In addition, 74% are concerned that their data might be used for unapproved purposes, and 75% consider they have lost control over the collection and use of their personal data. These numbers show a high level of privacy concerns across all markets. This resonates with findings from similar cross-country studies.

There are no clear regional differences but the results vary from country to country. Bulgaria and Malaysia have the most privacy-concerned consumers (between 83 and 85%) while concerns are lowest in Sweden, India and Pakistan (between 61 and 64%).

ELDERLY AND COST SENSITIVE CONSUMERS ARE MOST CONCERNED

In general, there are indications that younger people are less concerned than the elder. For other demographics groups, such as gender, education, and occupation, privacy concerns are evenly distributed.

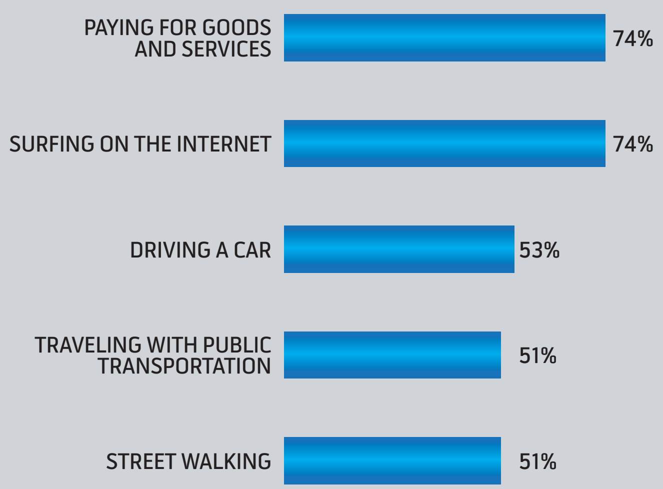
An interesting group is those that care the most about cost when buying and using Internet services. This group is more privacy concerned than the one paying less attention to costs, and this finding applies for 9 of the 10 countries. Likewise, consumers that report previous bad experiences with data misuse are found more likely to be privacy concerned.

A WISH FOR ANONYMITY

Paying for goods and services and *surfing on the Internet* are the situations where consumers find it most important NOT to leave digital traces. There are some regional differences here. In Asia, not leaving digital traces when surfing on the Internet is considered more important than when paying for goods and services. A possible explanation could be that digital payment for goods and services is not as common as in Europe.

The high concern for leaving traces when surfing on the Internet is particularly interesting in view of the increased data collection and customer profiling performed on the web.

HOW IMPORTANT IS IT FOR YOU NOT LEAVING DIGITAL TRACES IN THE FOLLOWING SITUATIONS?



PERSONALIZATION AND WILLINGNESS TO SHARE

The majority wants personalized services, but there seems to be a mismatch between the wish for personalized services and the willingness to share the data needed for personalization. This mismatch was present in all regions. In Asia and Central Eastern Europe (CEE) almost 8 out of 10 consumers said that apps and Internet services should be tailored to their needs and interests. However, only 7 out of 10 in Asia and 4 out of 10 in CEE are willing to share their personal data for such services. In the Nordic countries we find the lowest demand for personalization, as well as the lowest willingness to share personal data (5 out of 10 and 3 out of 10 respectively).

A possible explanation of this mismatch is lack of knowledge among consumers on how personal data is actually used to produce personalized services.

Do you agree with the following statements?

Apps and Internet services should be tailored to my needs and interests

If personalization of apps and Internet services provides benefits to me, I will accept sharing personal data

8 OUT OF 10 WANT PERSONALIZED SERVICES
7 OUT OF 10 ARE WILLING TO SHARE DATA

8 OUT OF 10 WANT PERSONALIZED SERVICES
4 OUT OF 10 ARE WILLING TO SHARE DATA

5 OUT OF 10 WANT PERSONALIZED SERVICES
3 OUT OF 10 ARE WILLING TO SHARE DATA

MOST CONSUMERS ARE PRIVACY PRAGMATISTS

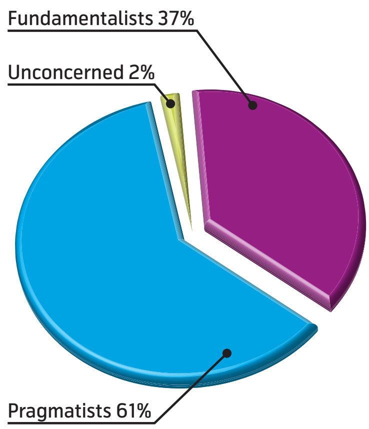
People can be grouped according to how important they find it to protect their personal data and to what degree they are willing to share data for benefits in return. The privacy pragmatists is the dominant group in all markets while there are particularly few fundamentalists in Asia compared to the other two regions. The number of unconcerned is similar across the regions, and remarkably low.

PRIVACY FUNDAMENTALISTS
- are privacy concerned and unwilling to share personal data in exchange for personalization/ personalized services

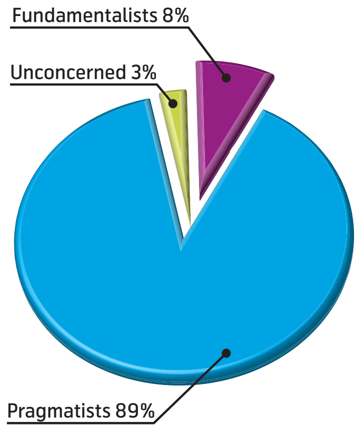
PRIVACY PRAGMATISTS
- are privacy concerned, but still willing to share personal data in exchange for personalization/ personalized services

PRIVACY UNCONCERNED
- are privacy unconcerned and willing to share personal data in exchange for personalization/ personalized services

NORDICS AND CEE



ASIA



PERSONALIZED CUSTOMER SERVICE IS MOST POPULAR

The survey described three different ways in which customers' personal data could be used in relation with personalization:

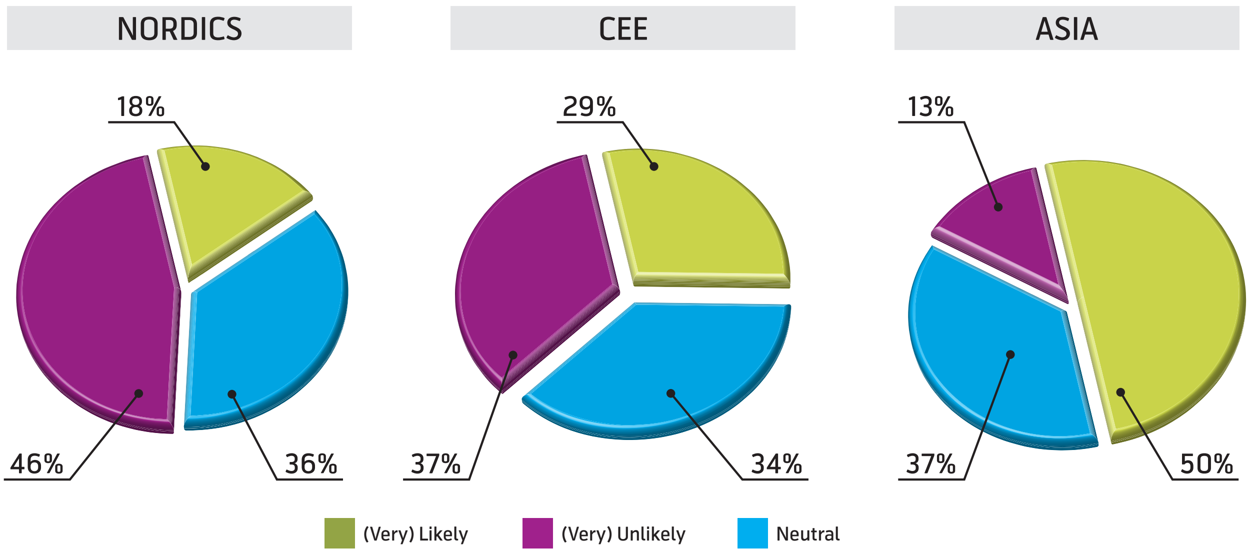
1. **to receive personalized customer service**
2. **to obtain apps and Internet services tailored to their preferences and needs**
3. **to get advertisements tailored to their needs**

Across all regions, the willingness to share for personalized customer service is ranked slightly above personalized apps and Internet services, which in turn is ranked above personalized ads. We also see that the willingness to share is in all cases higher in Asia than in CEE and the Nordics.

	ASIA	CEE	NORDICS
Would share for personalized customer service	68%	54%	39%
Would share for personalized apps/Internet services	67%	39%	34%
Would share for personalized adds	49%	24%	21%

SHARING DATA WITH MOBILE OPERATORS

The willingness to share data such as location, communication partners and frequency/duration of calls with mobile operators, in exchange for personalized offers, changes from region to region. It is lowest in the Nordic countries, low-middle level in CEE and highest in Asia. The high number of neutral responses may indicate that the benefits of "personalized offers" are not always grasped by the consumers.



Average likelihood for giving your MNO (Mobile Network Operator) permission to use personal data* in return for personalized offers

CONTACTS AND LOCATION ARE MOST SENSITIVE

Consumers state low willingness to share data uncovering their communication partners and location. On the other hand, the time of the day when mobile usage is highest and the most used data services are considered less sensitive.

*** THE SPECIFIED DATA TYPES RANKED ACCORDING TO SENSITIVITY (LOW ON TOP):**

1. The time of day when you are most active
2. The data services most frequently used
3. Frequency and length of calls, sms, etc
4. Locations you frequently visit
5. Your most frequent communication partners

MONETARY VALUE

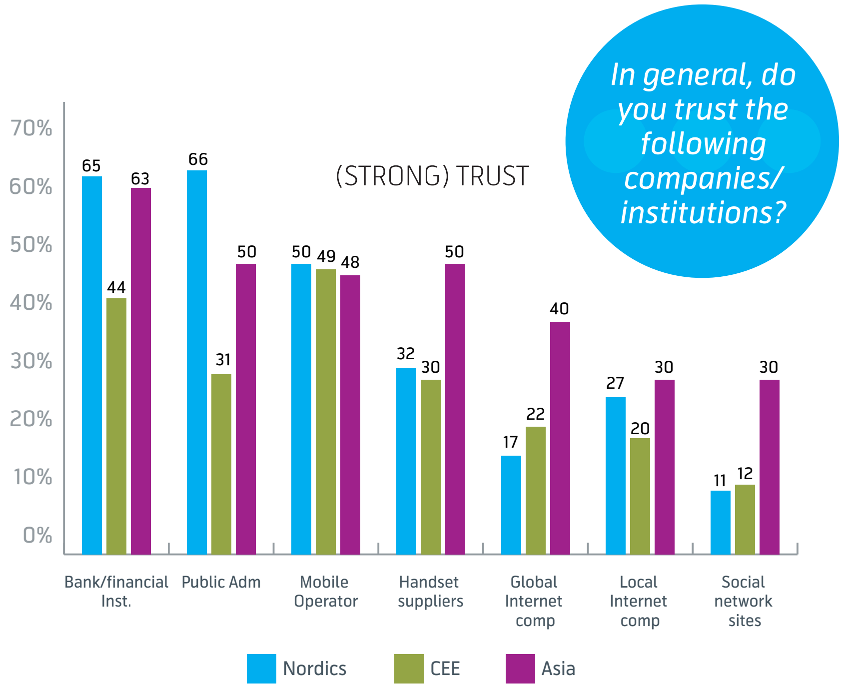
Consumers may be interested in paying for keeping some data private and may share other data for a discount in price. Across all regions consumers are willing to share their age, gender, e-mail and information about installed apps in exchange for a discount. However, they are less willing to share credit card information, content of calls, SMSs and the contact list in their mobile in exchange for a discount.

Elders are less willing than the younger to share their personal data, even for a discount. Privacy concerned consumers and those who pay attention to cost are also less willing to share these types of data.

MOBILE OPERATORS ARE MORE TRUSTED THAN INTERNET PLAYERS

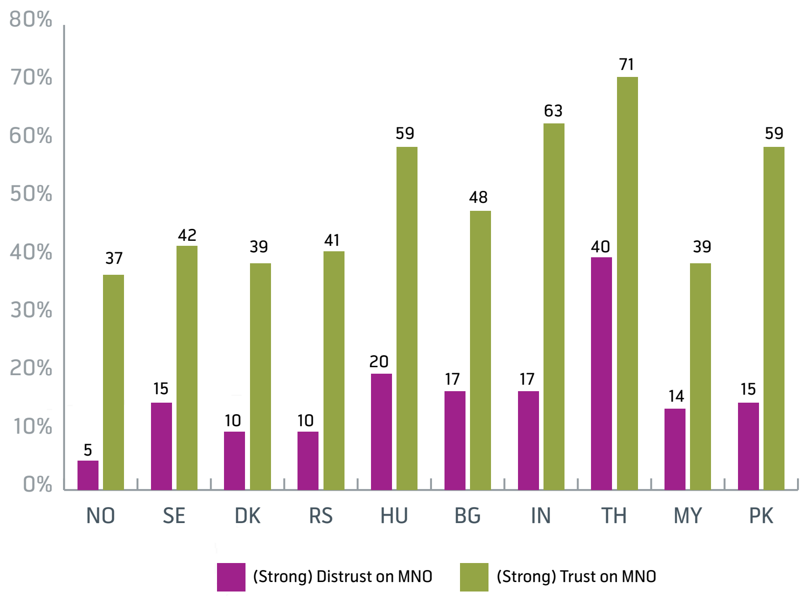
When comparing trust in mobile operators with other companies, mobile operators are found to be more trusted than Internet and social media players.

The level of general trust in the respondent's mobile operator varies from **64%** to **35%** with Hungary on top and Malaysia on the bottom of the scale. In comparison, trust in social media sites varies from **37%** (India) to **8%** (Denmark). Mobile operators are in all three regions more trusted than both global and local Internet players and social media players.



TRUST INCREASES WILLINGNESS TO SHARE

Consumers who trust a service provider are more likely to share personal data with the provider than those who distrust it. In the case of mobile operators, trust increases consumers' willingness to share personal data by a factor of three. Thus, trust is a key element for the willingness to share personal data in exchange for personalized services.



Would you give your MNO permission to use your personal data in exchange for personalized apps and Internet services?

TRANSPARENCY AND CONTROL ARE HIGHLY VALUED

Respondents across all countries signal clearly the importance of being informed about the data that are collected about them, and the importance of having the possibility to access and edit those data. They also want to know the purpose of the data collection and be informed about the benefits.

- Possibility to restrict what the collected data can be used for
- Possibility to access and edit data collected about you
- Access to a ‘Do-not-track-my-online-activities’ option
- Simple presentation of the privacy policy is given
- Information on data sources used for personalisation is given
- Access to a ‘Do-not-register-my-location’ option
- The benefit to you in return for sharing personal data is described

These features or mechanisms can be offered by service providers as components of a privacy dashboard.

WARRANTY THAT DATA IS NOT SOLD

A warranty that personal data is not sold to other actors got remarkable high score: **91%** state this is important or very important for sharing personal data.

WANT A WARRANTY STATING THAT DATA WILL NOT BE SOLD

OUR NEW PRIVACY POSITION

Telenor's position on privacy can be summarized as follows:

- We are open about how we collect and use your personal data.
- We are committed to using your personal data to provide you with better and more relevant services.
- We always keep your personal data safe and secure.

Telenor takes pride in protecting your privacy and is committed to earning your trust. We do this by keeping your information safe and secure, and by being transparent about how we handle your data. We continuously review our privacy practices throughout the Telenor Group and conduct regular training with the people involved in privacy-related activities.

Telenor strongly believe that you should get as much value as possible when you share your data with us. Therefore, whenever we process data on your behalf we strive to add value to the services you receive from us and provide you with personalized and more relevant services.