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Lund Digital Trust Survey 2022

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LUND UNIVERSITY DIGITAL MARKETING RESEARCH AND INSIGHTS

Lund Digital Trust Survey 2022

Burak Tunca & Johan Anselmsson



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About This Report

Authors:

Burak Tunca is a Senior Lecturer in Digital Marketing and Johan Anselmsson is a Professor in Marketing at the School of Economics and Management, Lund University, Sweden.

Sample:

Data were collected in March 2022 from 1000 participants via the Dynata consumer panel, which is representative of Sweden in terms of age, gender, and geography.

Funding:

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Background

The Covid-19 pandemic pushed consumers' reliance on digital services to a whole new level. Today consumers accomplish most of their daily tasks – shopping, working, maintaining personal relationships – over the Internet. It goes without saying, such online interactions require collection of a large amount of data, which might put consumers at unease.

In this survey, our objective is to uncover what "digital trust" looks like for Swedish consumers today. Among other aspects, we set out to see consumers' perceptions of data privacy and data sharing, as well as how they view private companies' access to their data.

We believe that our findings will be of relevance not only to marketing practitioners, but also to academics and policy-makers.

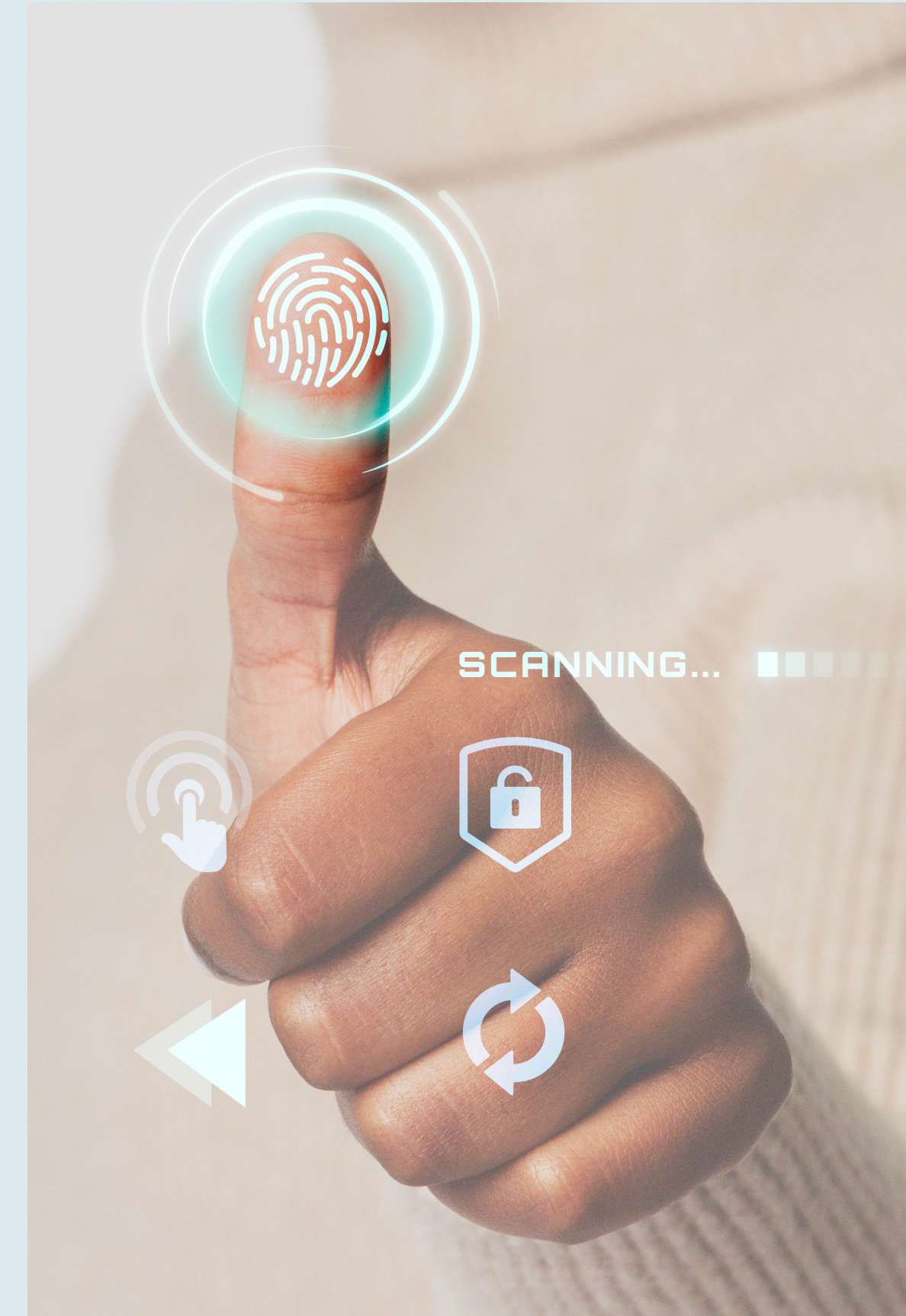
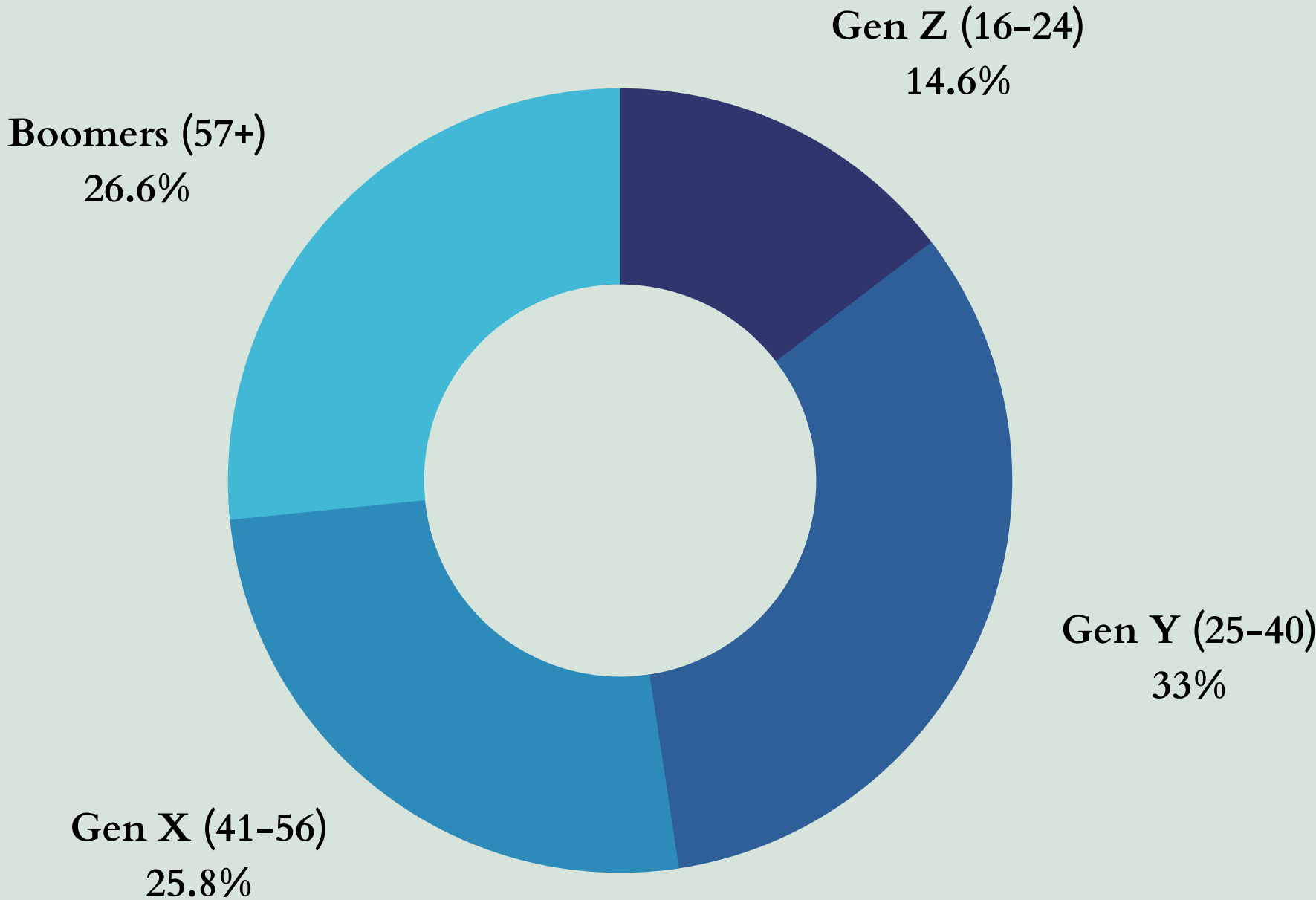


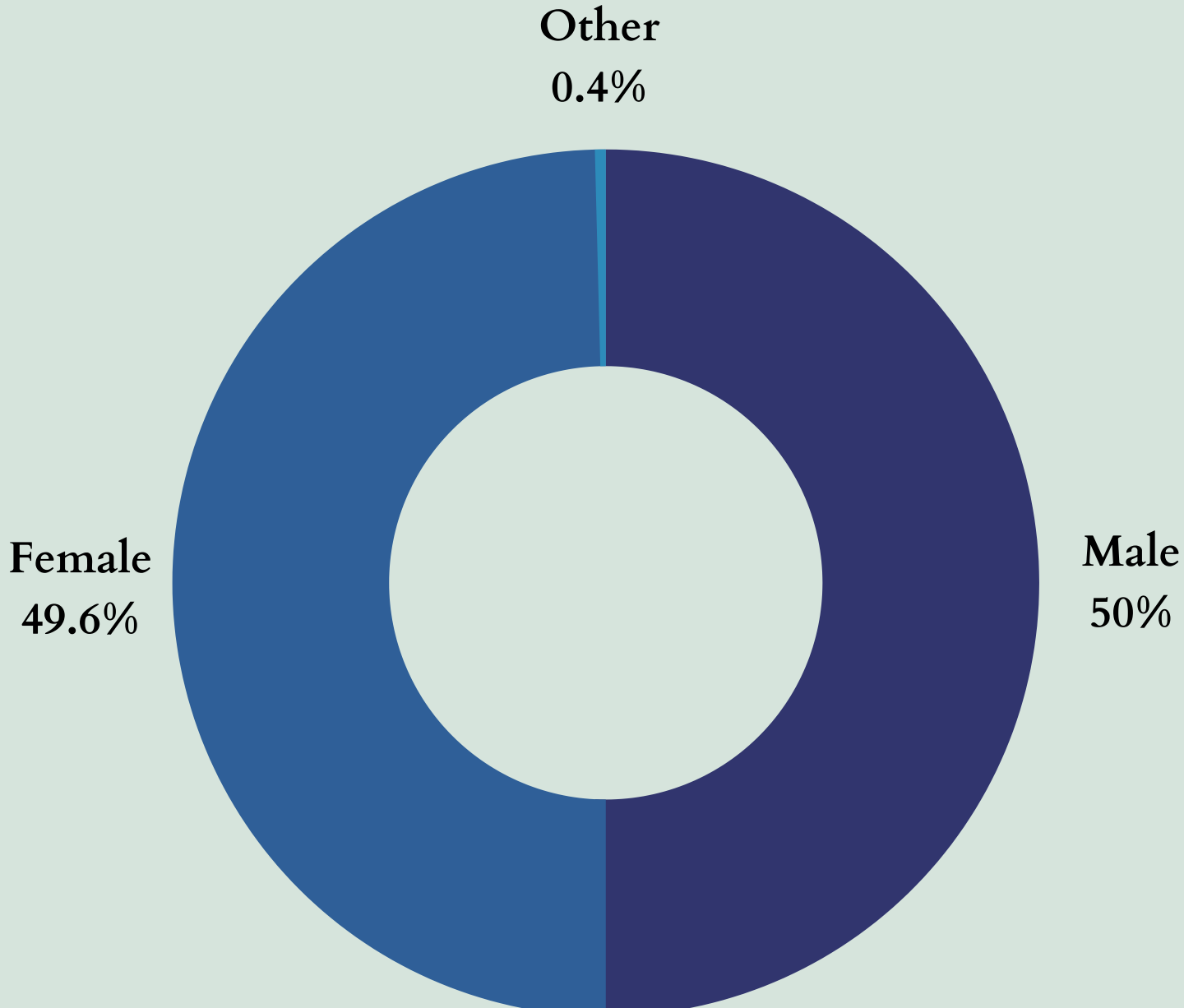
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Demogprahics

AGE

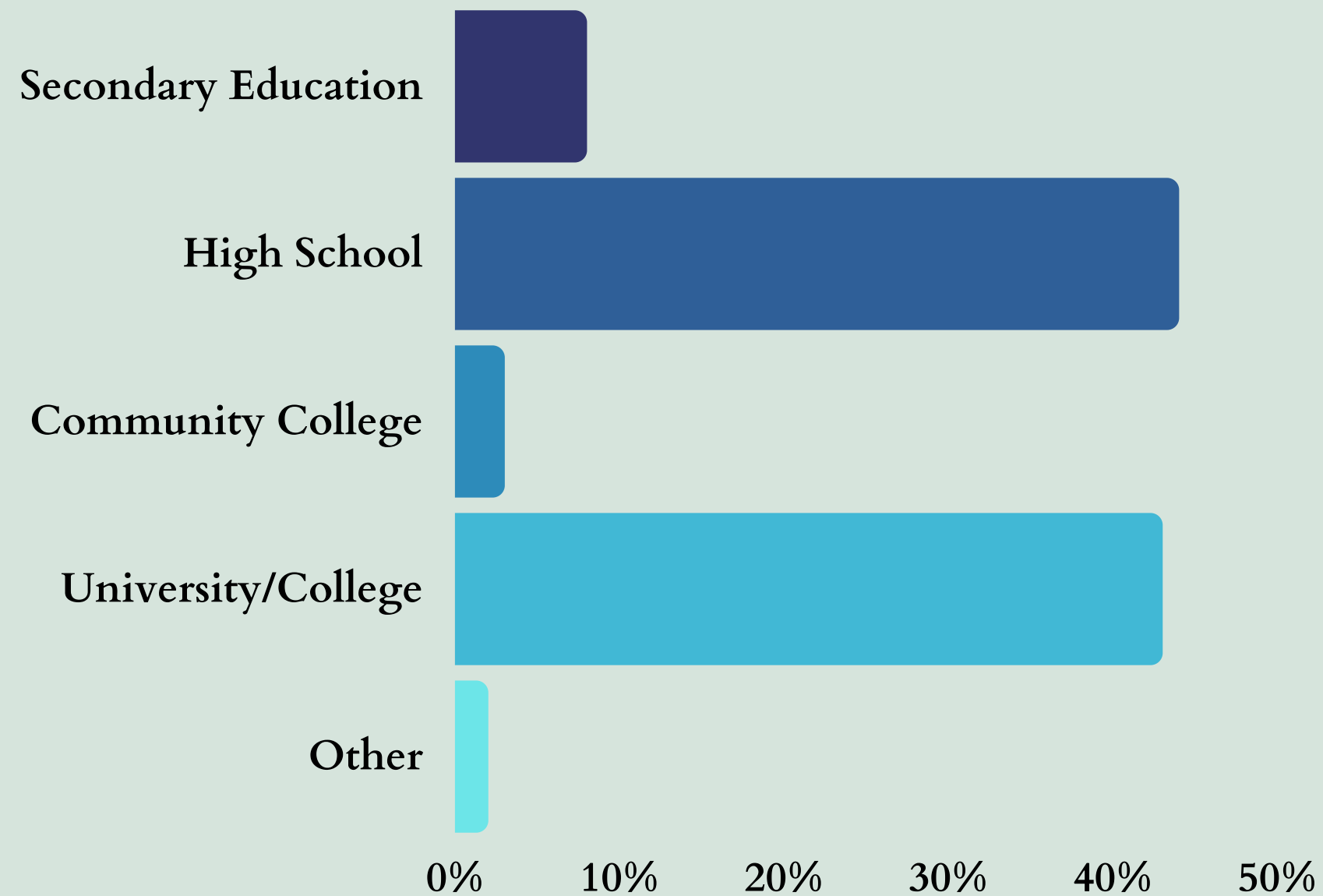


GENDER

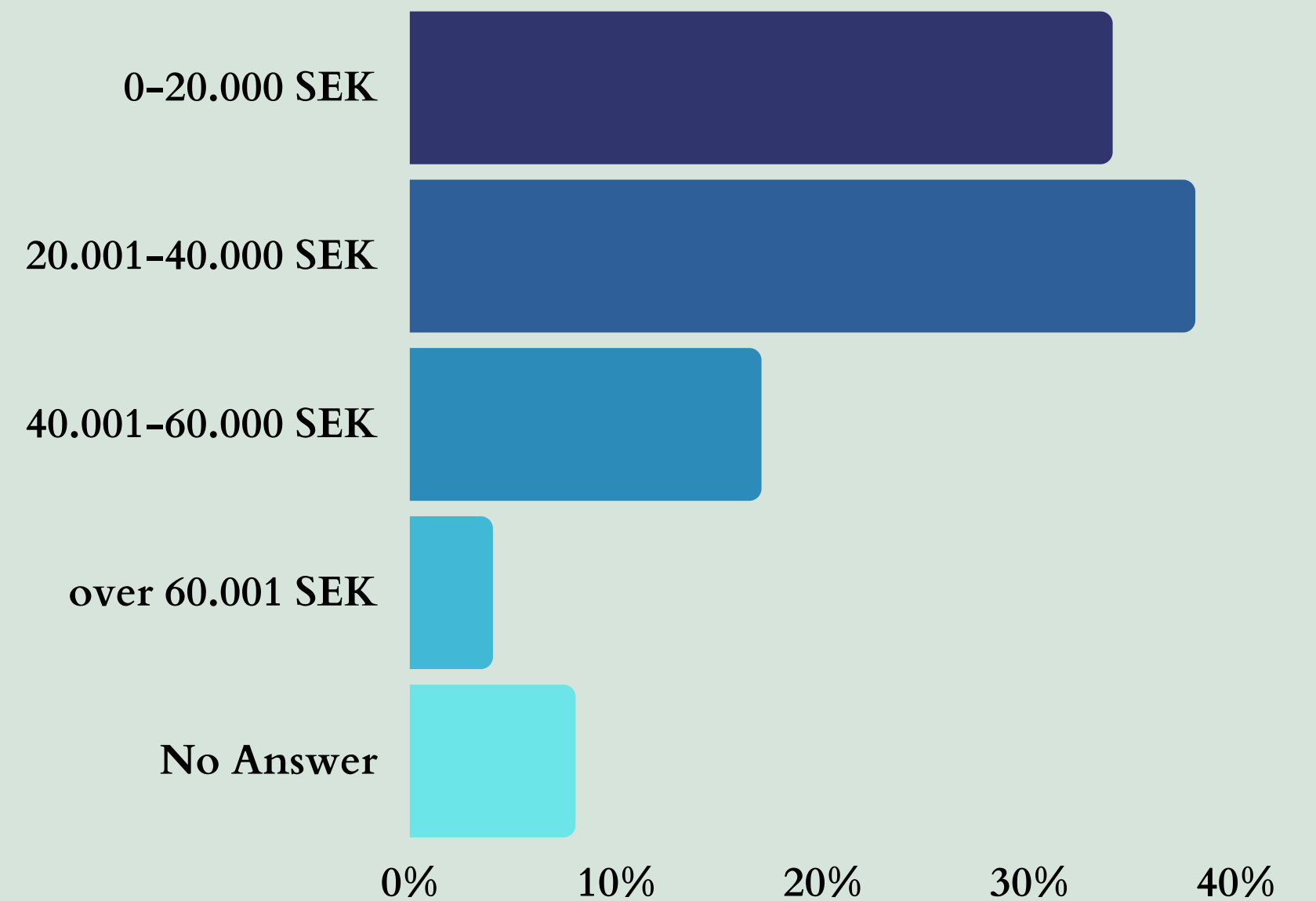


Demogprahics

EDUCATION



INCOME (monthly)



Consumers care about data privacy, but purchases are not affected as much

Q: Which of the following statements about data privacy apply to you?

Consumers certainly do not ignore data privacy – 64% cares about protecting their data and 47% would like to have more control over their data. However, data privacy concerns have a relatively smaller impact on purchase behavior. Only about 1 in 5 consumers says that data privacy concerns affect their purchase decisions and they are willing to accept a price premium for better data protection.

I care about protecting my data online



I want more control over my data online



I am willing to spend time and money to protect my data online



Concerns about data privacy affect my purchase decisions



I am willing to pay more for the same product / service if my data will be protected

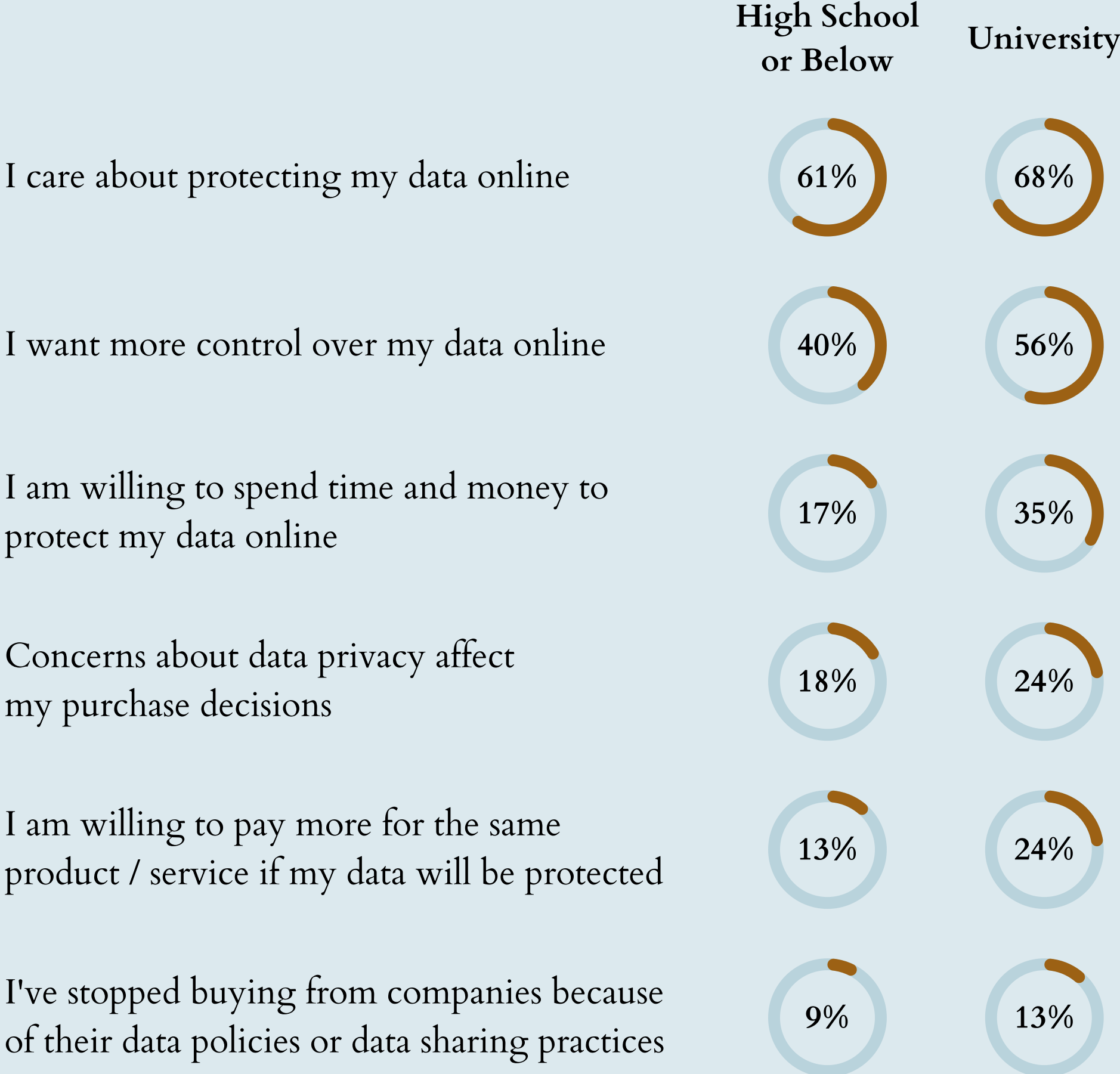


I've stopped buying from companies because of their data policies or data sharing practices



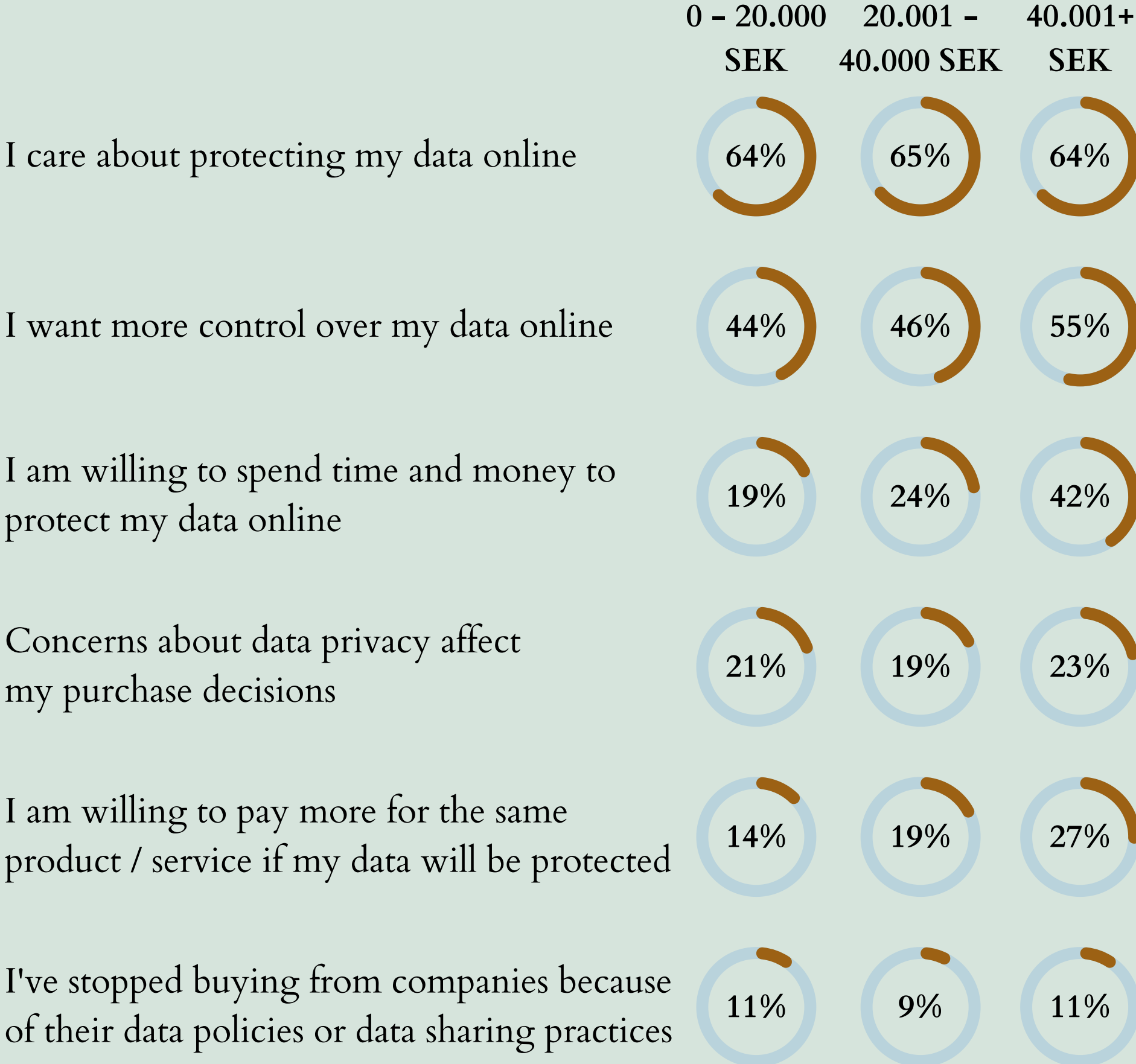
Higher education is associated with heightened concerns about data privacy

Looking more closely to the data, we see that higher education is associated with heightened concerns about data privacy. To illustrate, consumers with a university degree care more about data protection and control. The largest differences pertain to the extent to which consumers are willing to spend resources to protect data: compared with consumers with a high school or below degree, consumers with a university degree are two times more likely to spend resources to protect their data and to pay a premium for data privacy.



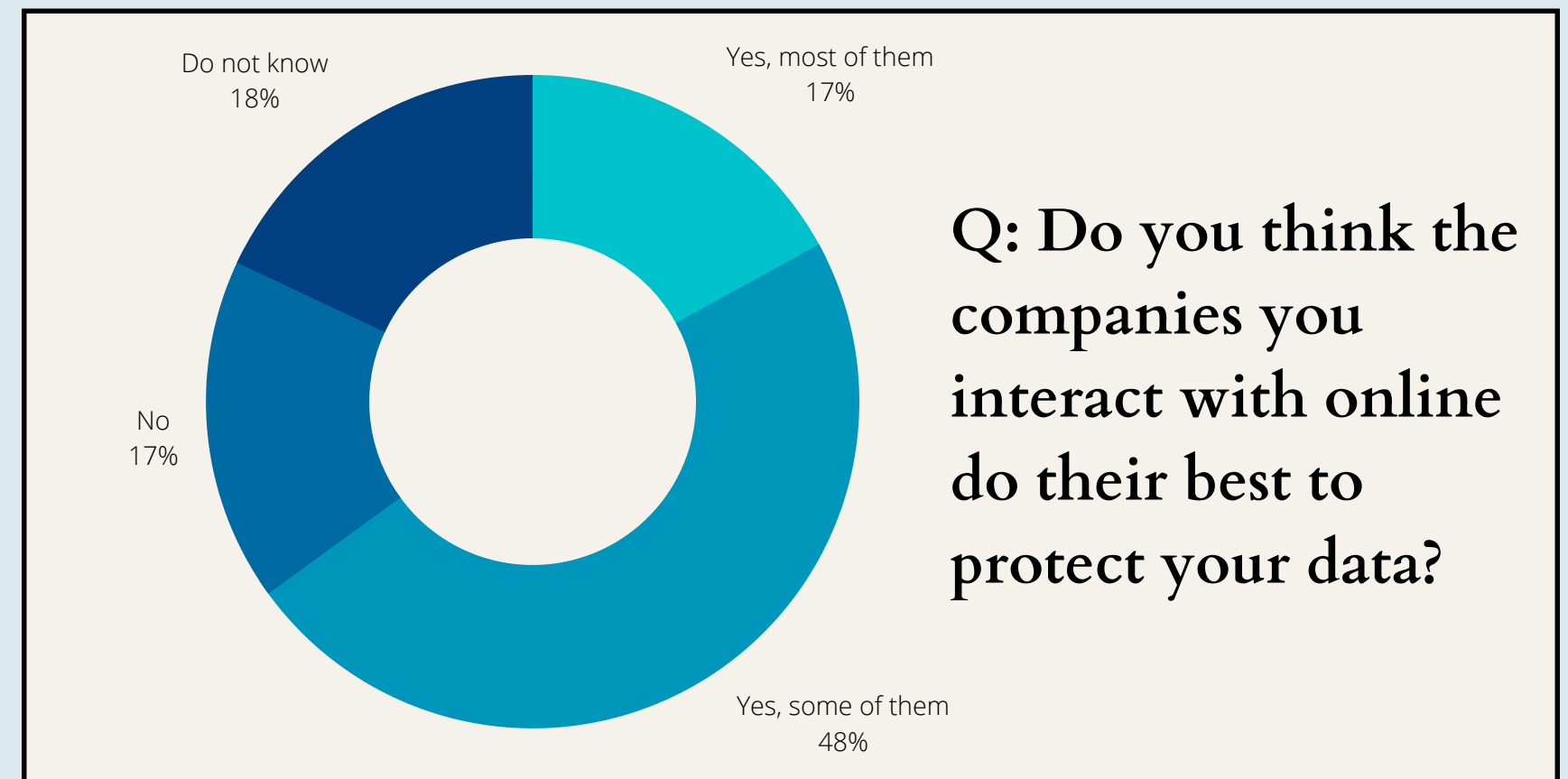
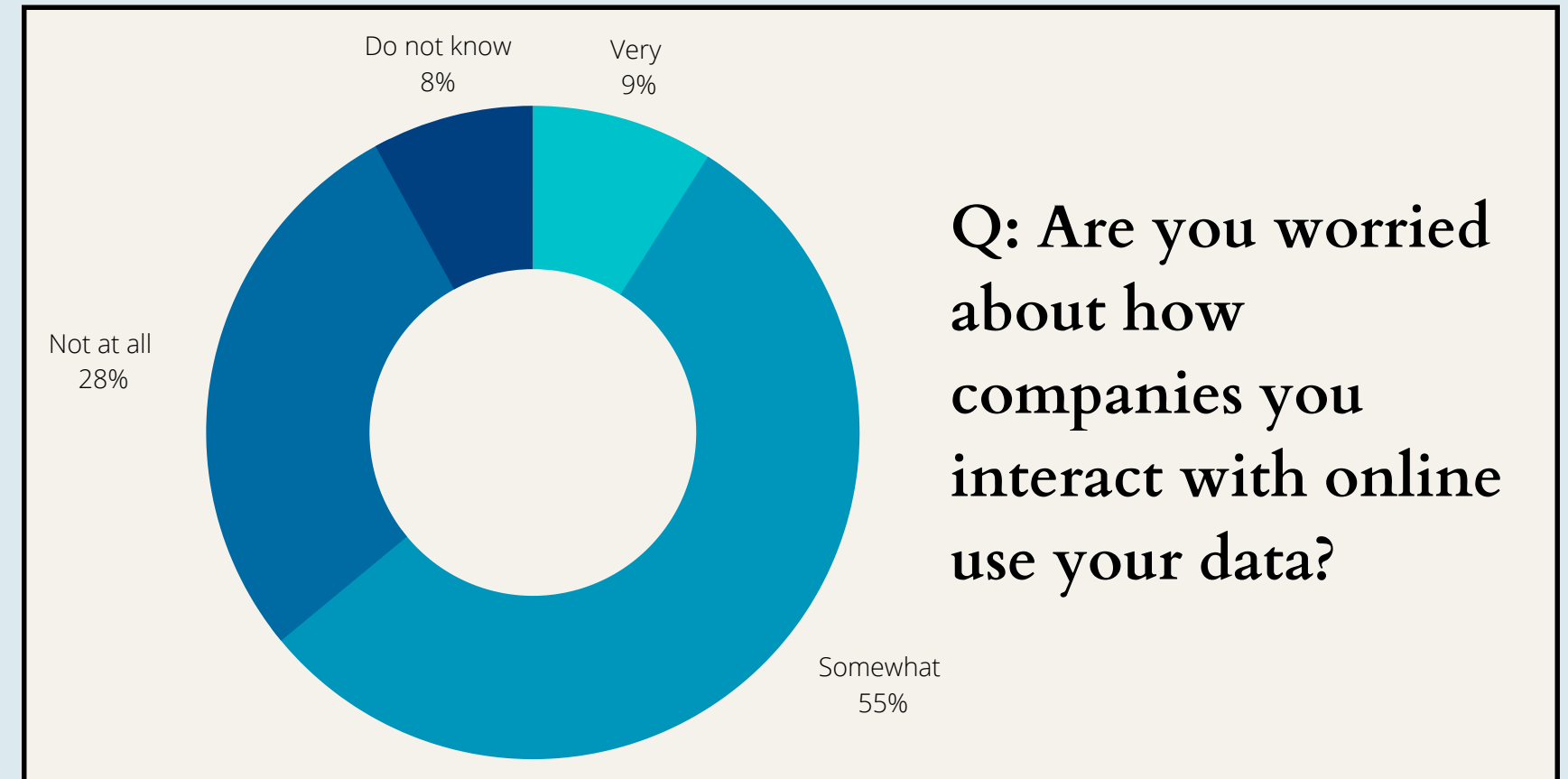
Higher income consumers are willing to pay a premium for data privacy

When analyzing the results based on consumers' income levels, we notice that, although the extent to which consumers care about data privacy is not influenced by income levels, the willingness to pay a premium for data protection doubles among consumers with high-income levels. In tandem with the previous results, we observe that consumers with high education and high income are more willing to walk the extra mile to protect their data online.



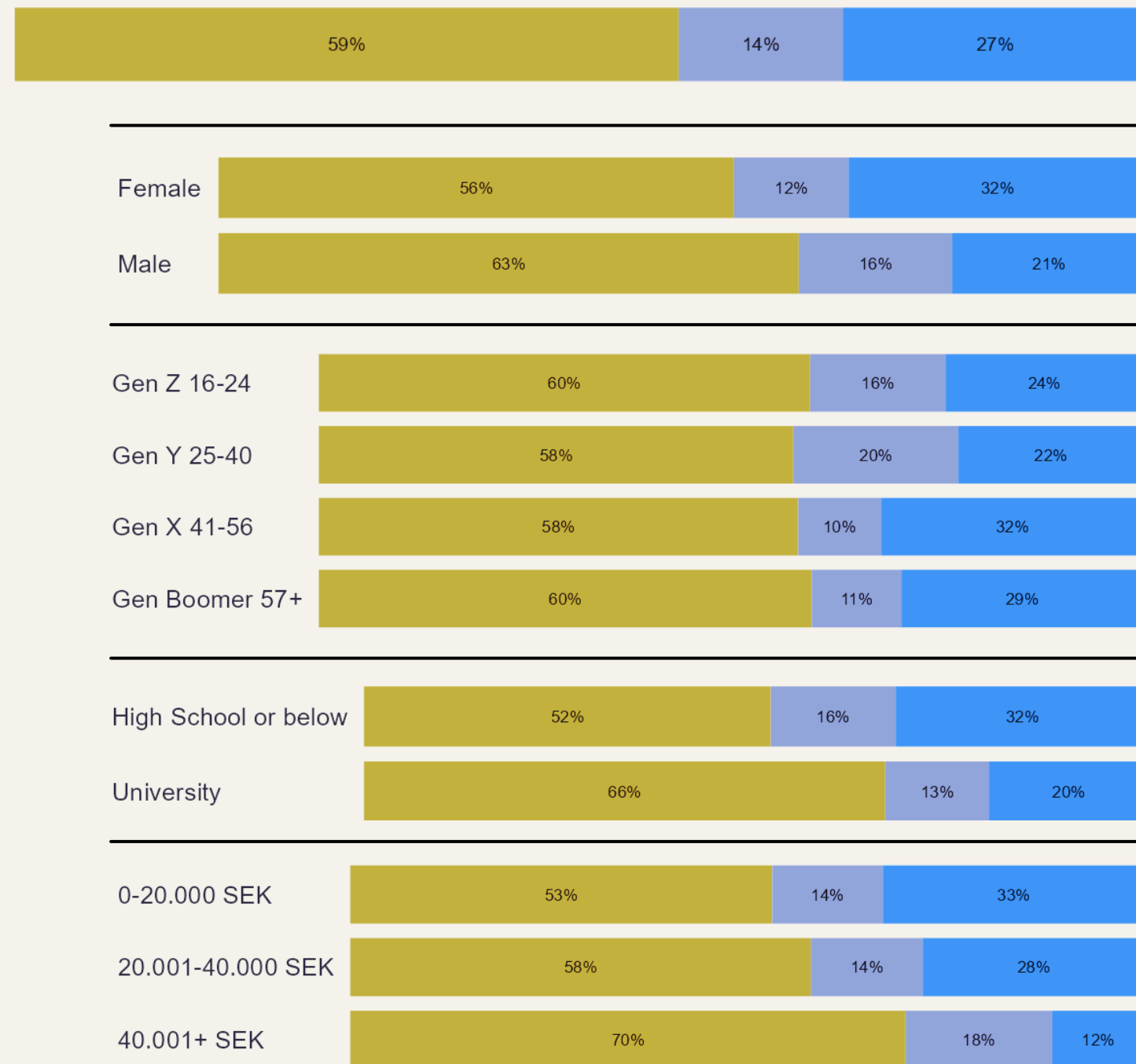
Most consumers are moderately worried about how companies use their data and believe only some companies do their best for data protection.

64% of consumers say that they are somewhat or very worried about how companies use their data, where as 28% are not worried at all. When asked about whether the companies they interact with online do their best to protect data, about half of respondents think some of the companies do. 17% think most companies do their best, and similarly 17% think companies do not try hard enough to protect data.



Q: Do you think companies build an "online profile" of you to predict your consumer behavior?

Yes No Do not know



Consumers believe there is an "online profile" of them created by companies

As a consequence of highly targeted digital ads, consumers often suspect that companies are building profiles based on the data collected online. In fact, a large majority, 59% of all respondents believe that companies create an "online profile" of them to predict what they would buy. The number rises to 66% among consumers with a university degree, and to 70% among high-income consumers.

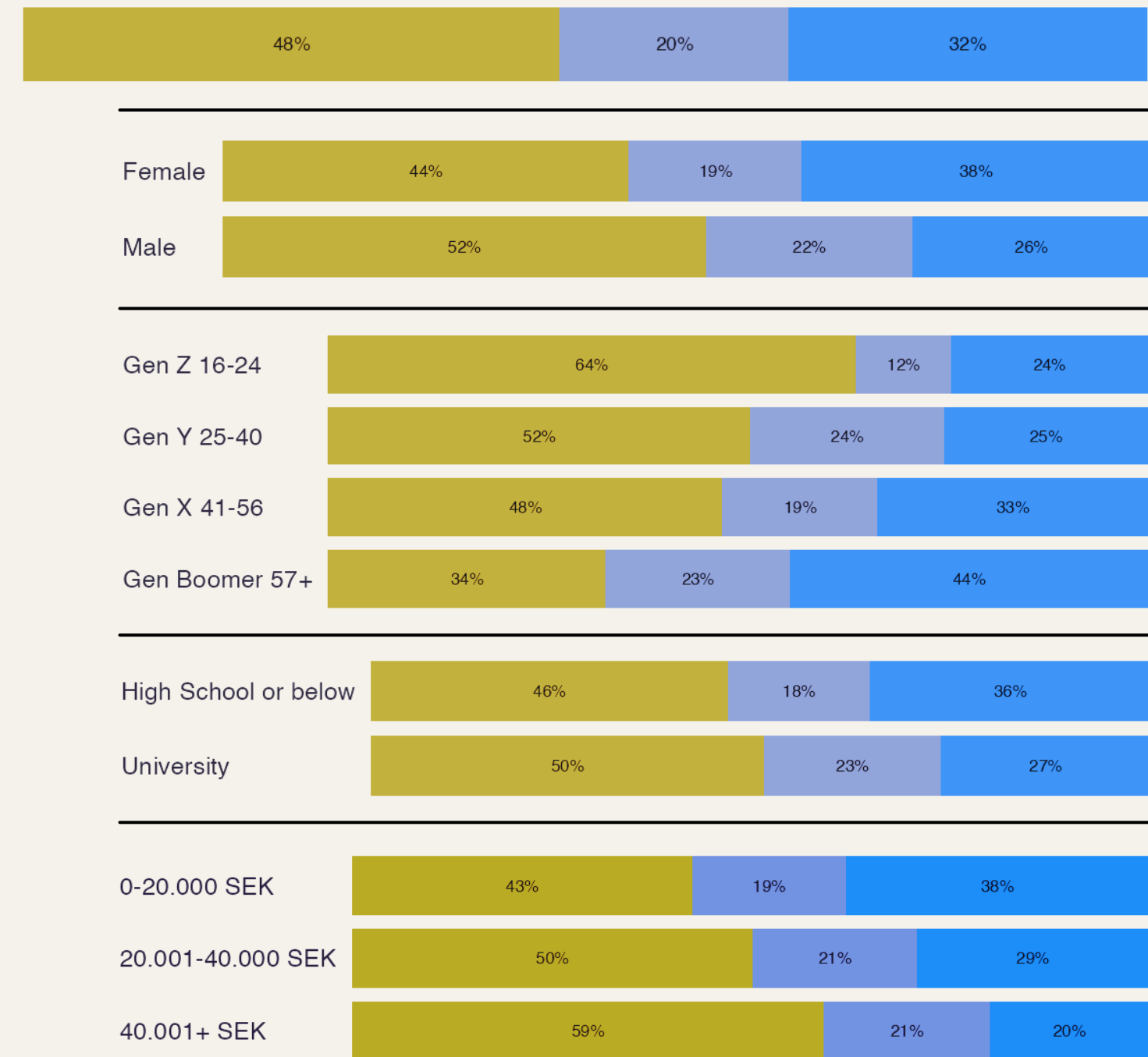
Younger consumers believe the benefits of online services outweigh data privacy concerns

Overall, about half of all consumers think that perks of online services outweigh their concerns about data privacy, indicating the extent to which online services became an indispensable part of our lives.

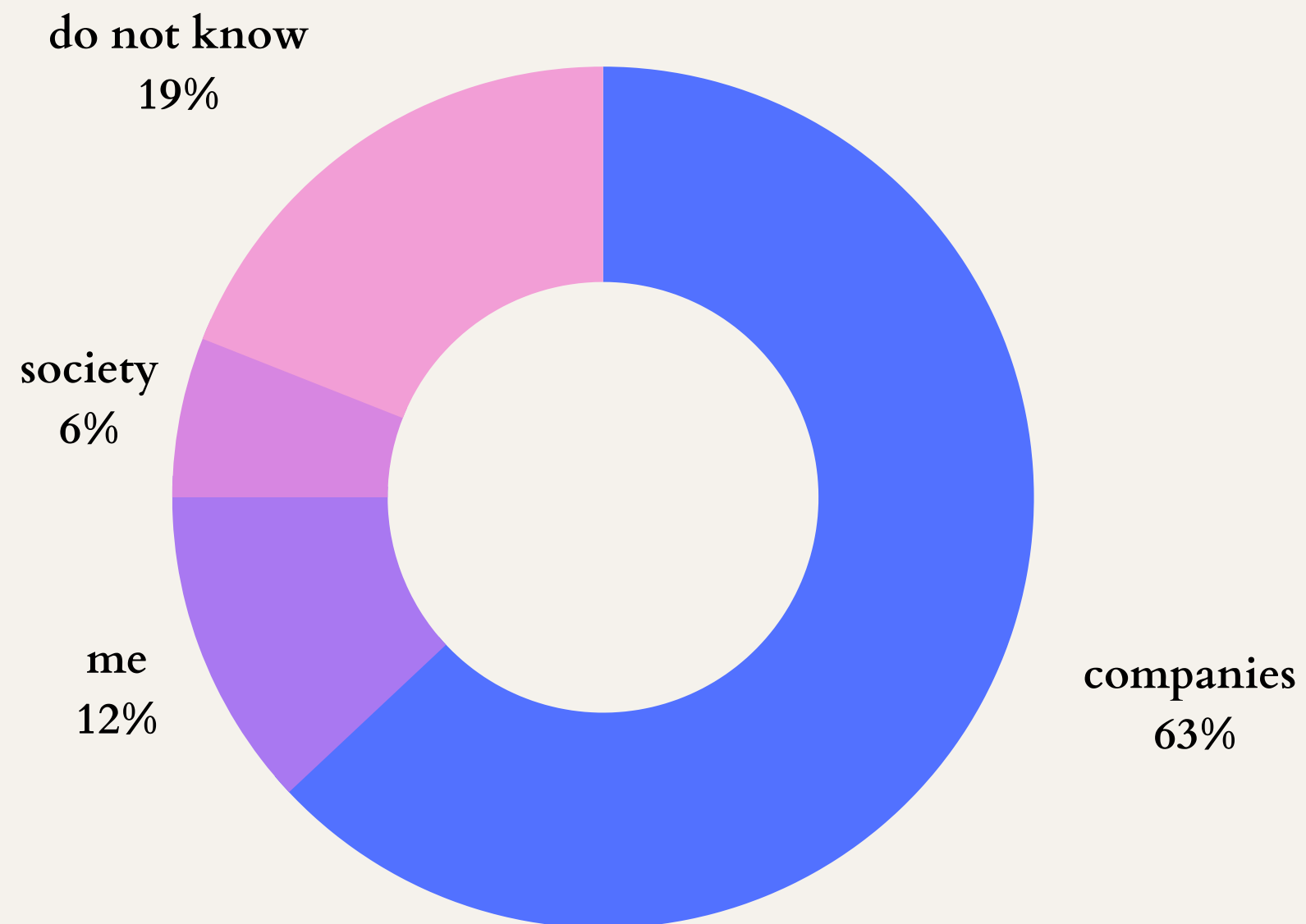
Interestingly, the number jumps to 64% among Gen Zers (16-24) and drops to 34% among Boomers (57+). Another striking difference is between lower-income (43%) and higher-income consumers (59%).

Q: I think the benefits of using online services outweigh my concerns about data privacy

Yes No Do not know



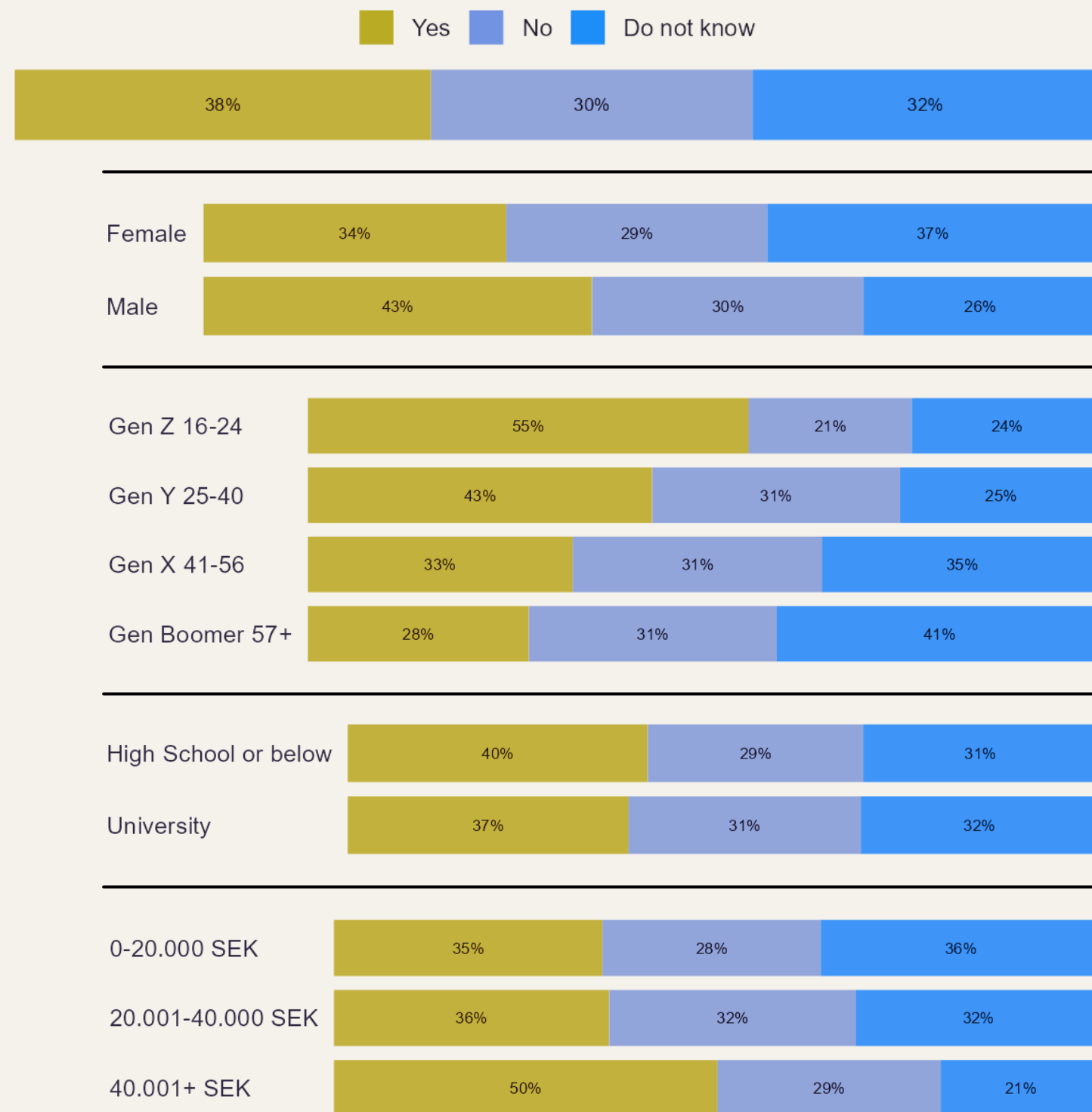
Q: I think the data collected from me is mainly used to benefit ...



Most consumers think their data benefits companies rather than themselves

A large majority (63%) of consumers believe that the data collected from them is used to benefit companies. Only 12% think that they personally get some benefit, and a mere 6% think that the society benefits from consumer data.

Q: Do you think that you can effectively protect your data online?



Males, Gen Zers, and high-income consumers feel more competent in protecting data online

Overall, 38% of consumers think that they can effectively protect their data online. However, we also observe some sub-group differences: compared with Boomers (28%), Gen Zers (55%) feel more competent in protecting their data. Similar differences are evident between Males and Females (43% vs. 34%), as well as higher and lower income consumers (50% vs. 35-36%).

Consumers cannot figure out what is happening with their data

Q: What are the reasons for not being able to protect your data online?

Consumers who think that they cannot protect their data online foremost cite the difficulty of finding out what companies do with their data (63%). Other relevant reasons include lack of knowledge about data protection and the ways companies collect data (44%), mandatory data sharing policies to use a service (39%), as well as the belief that companies have already collected the data (32%).

Too hard to find out what companies actually do with my data



I have no knowledge of how to protect my data online



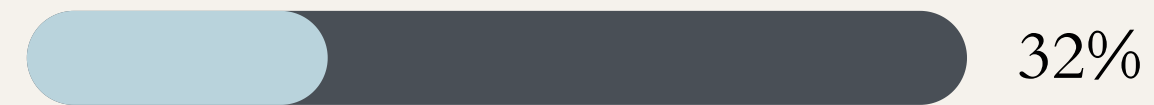
Too hard to find out how companies collect my data



If I want to use the service, I have to agree to share my data



I think my data is already available to companies



- 1 **ICA** (3429 points)
- 2 **IKEA** (3323 points)
- 3 **SYSTEM BOLAGET** (3006 points)
- 4 **Klarna.** (3003 points)
- 5 **H&M** (2239 points)

Do overall brand trust influence trust with data?

Q: Please rank the following Swedish brands based on how much you trust them with data privacy

We presented five Swedish brands popular among consumers and asked them to rank those brands based on how much they trusted them with data privacy. Interestingly, the results correlate highly with overall trust in those brands measured in other surveys*, where ICA, IKEA, and Systembolaget rank top 3 and H&M rank 11th. We can thus argue that overall trust perceptions about the brand might spill-over to specific perceptions about data protection.

*FÖRTROENDEBAROMETERN 2022

ID-number, e-mail/chat/sms content, and photos are more important to protect online than web browsing and purchase history

Q: What kind of data is most important for you to protect online?

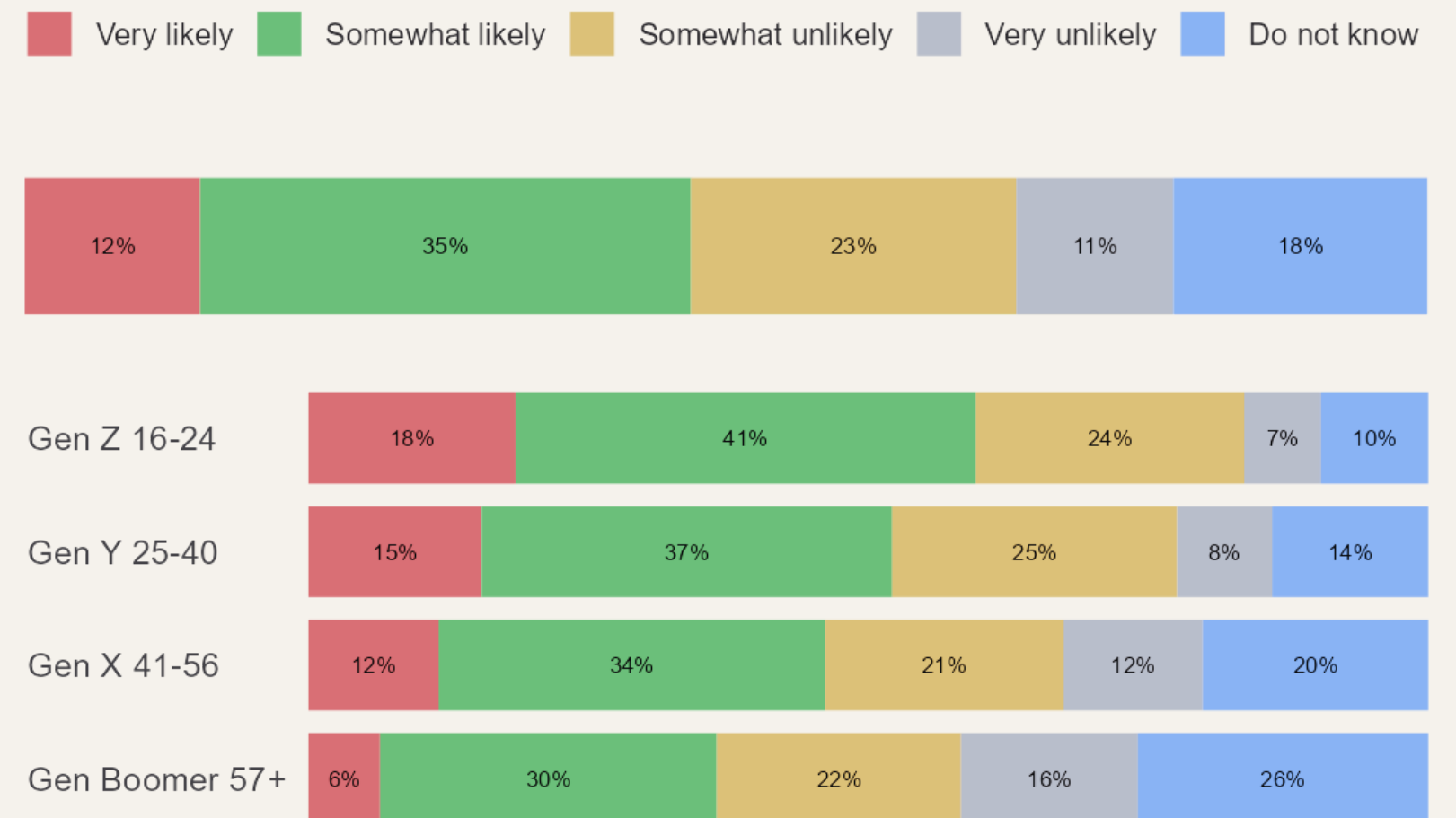
When asked about the most important types of data to protect online, consumers foremost cite personal information and personal contents (e.g., emails, photos, chat/sms, call history etc.). Interestingly, the type of data that are most relevant for digital marketing purposes, such as web browsing history, search history, and purchase history are not regarded by consumer as important to protect online.

	Very Important	Somewhat Important	Not At All Important	Do Not Know
Personal Information (e.g., name, gender, age, identity etc.)	44%	36%	16%	4%
ID-Number (Personnummer)	71%	20%	7%	2%
Photos	48%	34%	14%	4%
E-mail Content	59%	30%	8%	3%
Online Chat/SMS content	49%	33%	14%	4%
Call History	42%	35%	19%	4%
GPS/Location Information	43%	36%	17%	4%
Web Browsing History	35%	41%	20%	4%
Web Search History	34%	39%	23%	4%
Purchase History	31%	41%	24%	4%
Health Statistics (e.g., training history, sleeping patterns etc.)	41%	31%	23%	5%

Data privacy problems might become deal breakers for consumers

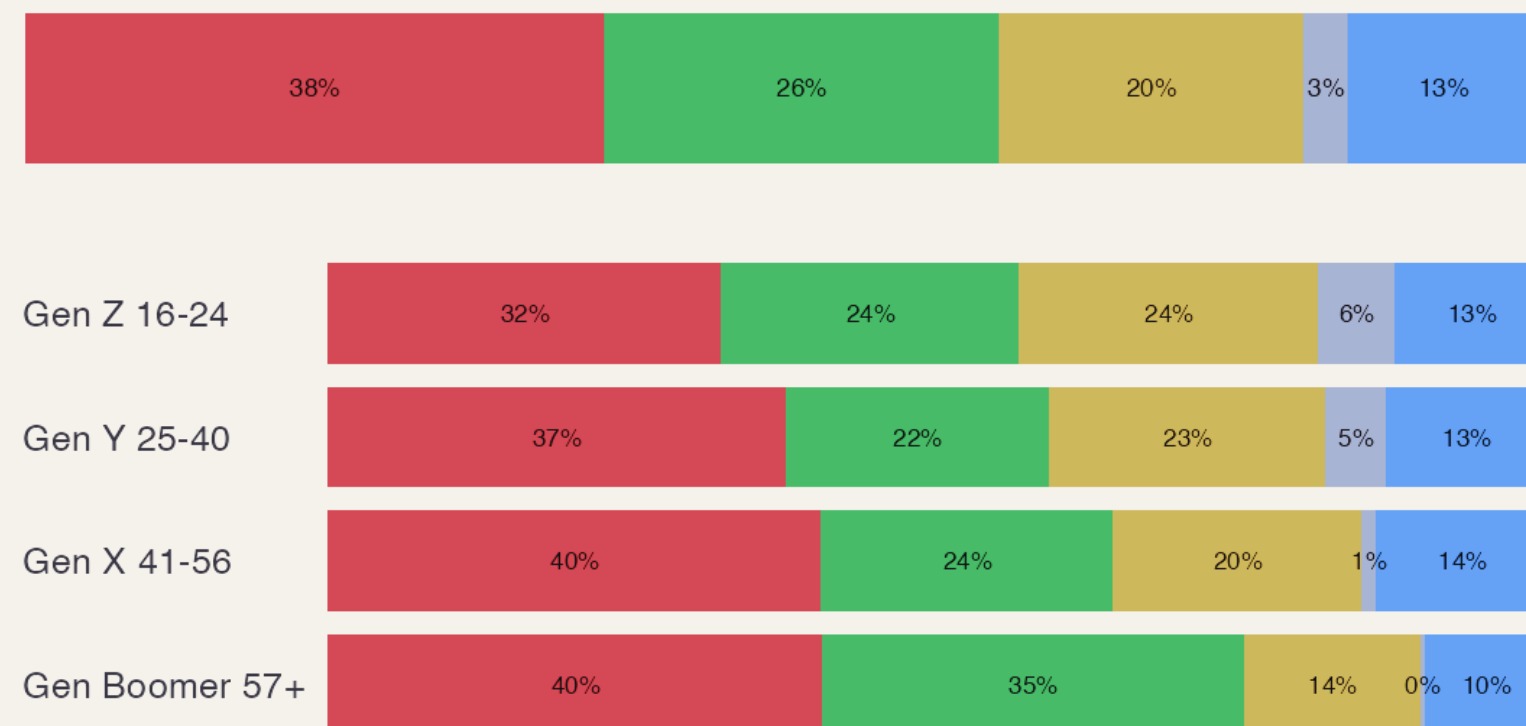
It is possible that consumers might break a relationship with a brand following data privacy issues. In that scenario, 47% of consumers say that they are somewhat or very likely to use the company again, if the data privacy issues are resolved, whereas 34% say that it is unlikely that they will return to the company. It should be noted that, however, Gen Zers are much more forgiving compared with Boomers: while 59% of Gen Zers are likely to return to a brand after data privacy issues, the rate drops to 36% for Boomers.

Q: If you stop using a company due to data privacy issues, how likely is it that you will use the company again if the data privacy issues are fixed?



Q: Who should be mainly responsible for protecting your data privacy?

Government Myself Private Companies Non-Profit Organizations Do Not Know



Young consumers are more likely to hold companies responsible for data protection

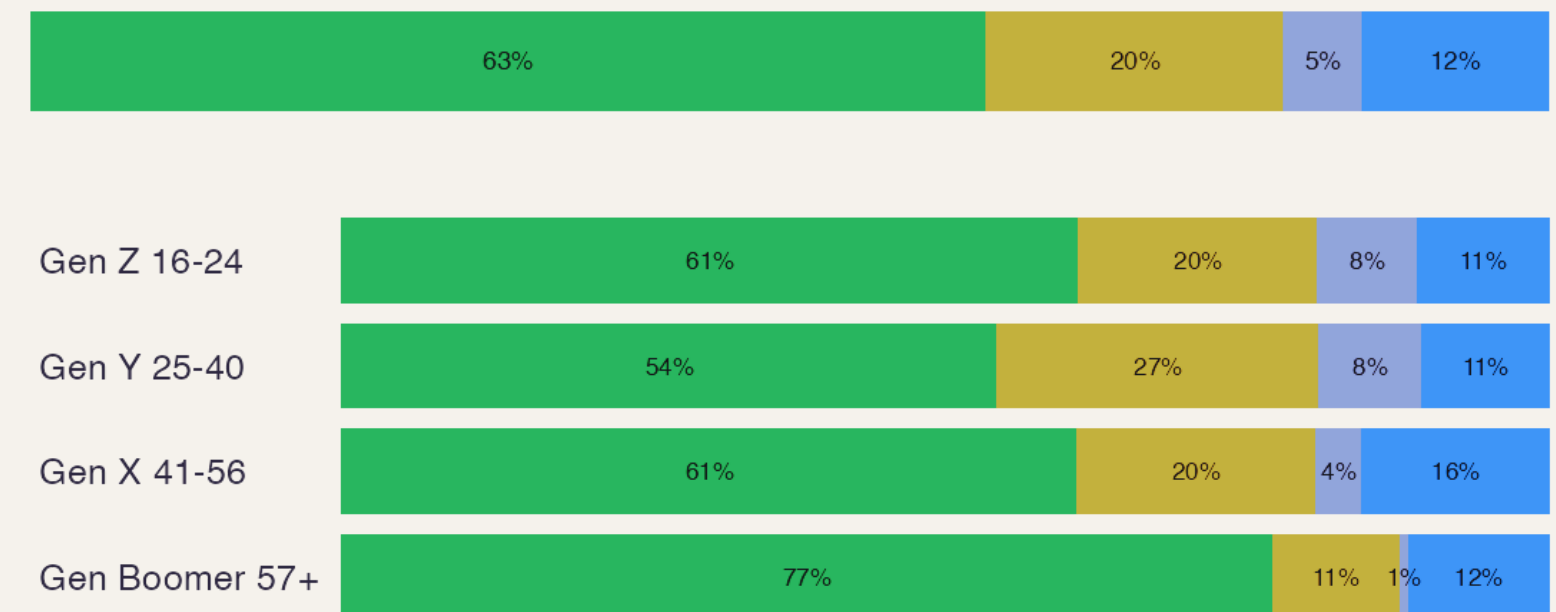
Overall, 38% of consumers think that the government should be mainly responsible for protecting data privacy, followed by consumers themselves (26%), private companies (20%), and non-profit organizations (3%). Gen Z consumers are the group that puts the smallest amount of responsibility on the government (32%) and the largest amount of responsibility on private companies (24%).

Consumers do not think that the punishments for violating data privacy are sufficient

63% of consumers believe that the punishments for companies that violate data privacy should increase. Only 5% believe that the punishments should decrease, indicating that the majority of consumers are not satisfied with the current levels of punishments for data privacy violations. Again, older consumers are stricter about data privacy: 77% say that the punishments should increase and only 1% say the punishments should decrease.

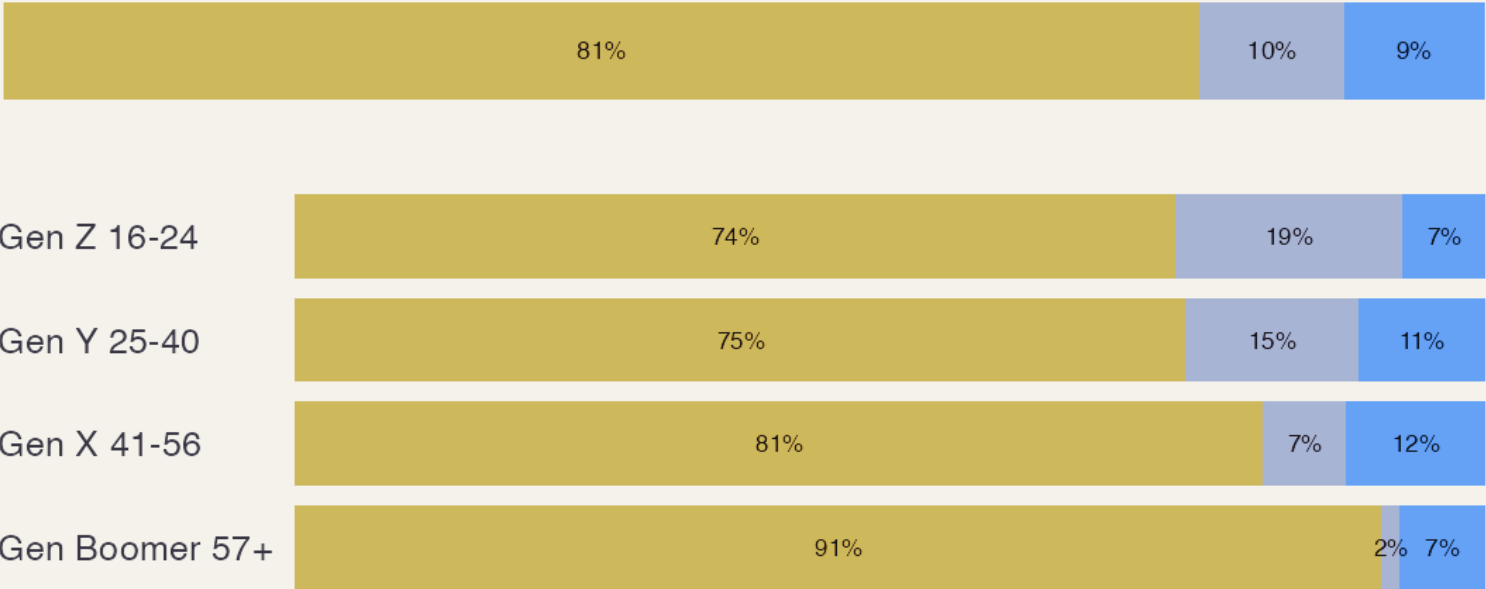
Q: Punishments for the companies that violate consumers data privacy should ...

■ Increase ■ Remain Same ■ Decrease ■ Do Not Know



Q: With only one click, I should be able to ask a company to delete all data they have about me

■ Yes ■ No ■ Do not know



Consumers would like to have their data deleted with ease

Our results have previously shown that consumers would like to have more control over their data. It is therefore not surprising that a large majority of consumers (81%), especially older consumers (91%) would welcome a possibility to ask a company to have their data deleted as easy as with a single click.

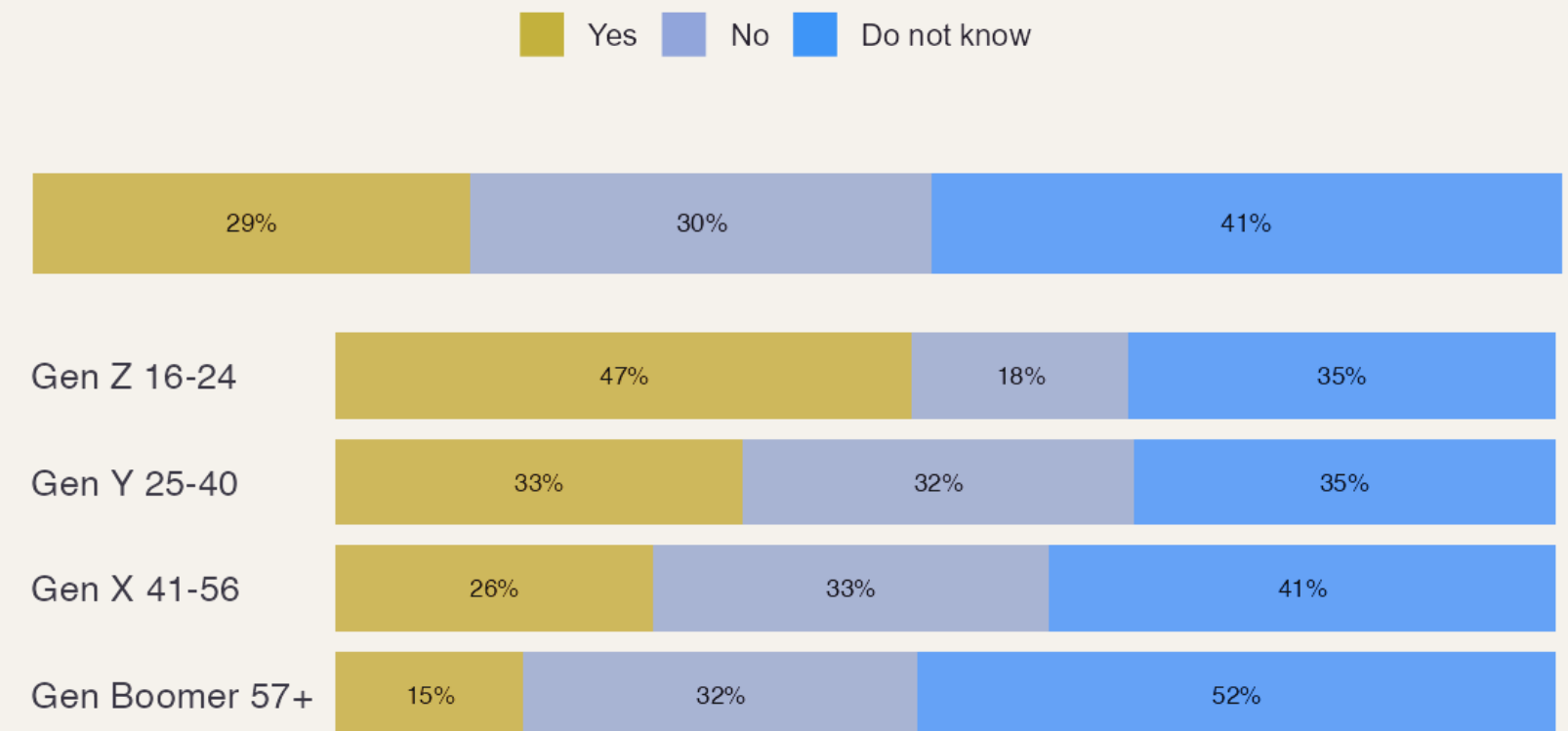
The youngest consumers have the most confidence in GDPR

The General Data Protection Regulation (GDPR) was put into effect in the EU in May 2018, lauded as the toughest privacy and security law in the world*. Today, our results show that 29% of Swedish consumers think that the GDPR is effective and 30% think that it is not.

Interestingly, 41% state that they do not know, raising the question whether the objectives of GDPR have been successfully communicated to the Swedish society. Another notable finding is that Gen Zers have the most confidence in GDPR (47%), while the Boomers have the least (15%).

*GDPR.EU

Q: Do you think the GDPR is effective in protecting data privacy?



Key Take-Aways



Majority of consumers care about their data; but especially those with high education and high income are willing to spend additional resources to protect their data.



Relative to older consumers, younger consumers are more willing to share data to access online services.



Younger consumers are more likely to hold brands, rather than themselves or the government, accountable for data privacy. Brands targeting younger demographics should communicate that they take the responsibility for consumer data.



Consumers are especially protective of personal information and contents (e.g., emails, photos, chat/sms, call history etc.). Brands should clearly communicate if and how they handle such data.



To improve perceptions about data privacy trust in particular, brands should also aim at improving overall brand trust.



Female and older consumers feel less competent in protecting their data online. Brands targeting those consumer segments should take additional measures to communicate how they respect data privacy.



Most consumers believe that the data collected from them only help companies. Thus, brands can benefit from communicating how data is used to the consumers interest.