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Companies that fail to see privacy as a business priority risk crossing the 'creepy line'

More than half, or 55 percent of consumers surveyed globally said they had decided against buying something online due to privacy concerns. This is according to a new report by KPMG International, which also revealed that less than 10 percent of consumers felt they had control over the way organisations handle and use their personal data today.

Respondents in most countries say that privacy control is more important than the potential convenience gained from sharing personal data.

"Consumers and regulators alike are paying attention to how organisations collect, store and use personal data," **said Daryl Pereira**, Head of Cyber Security, KPMG in Singapore. "Companies which fail to embed privacy concerns into the DNA of their business strategy risk extinction."

Understanding consumer sensitivities
When it comes to the global attitudes on the usages of personal data, consumers draw the line in dramatically different places.

What one consumer finds 'creepy'…
- 82 percent are not comfortable with the sale of their data to third-parties in exchange for the speed, convenience, product range, home delivery and price comparison that online shopping offers
- 55 percent said a free fitness tracking device that monitors the well-being of users and produces a monthly report for them and their employer is crossing the line

Another finds cool…
- 78 percent think telematics devices that enable emergency services to track their customers' vehicles are a good thing
- 57 percent are happy to have a smart energy meter installed that enables a provider to deduce how many people live in a home, when they eat and sleep, and the appliances used

While concerns around the "creepy line" vary, the overall top 3 concerns about the way organisations are handling and using their personal information were: unwanted marketing; personal information being sold on to third-parties, and lack of secure systems. The survey found that strong cyber security systems (32 percent) are the most effective thing an organisation can do for customers to trust them with their personal data.

Data sharing
Over half of survey respondents said they were willing to share their gender, education or ethnicity online, while a considerably lower proportion were happy to share more sensitive information, such as location (16 percent), address (14 percent) or medical records (13 percent).

Consumers are increasingly taking matters into their own hands, with half of survey respondents saying they already delete their internet browser cookies or manage their social media settings.

Almost one-third even use incognito or 'do not track' modes, while a quarter percent use encryption.

Singapore findings

Consumers in Singapore are increasingly more cyber savvy and aware of the risks that cyber threats pose to their personal data and personal situations. Like consumers in the west, the findings suggest that cynicism is also growing among consumers in Asia.

The average Singaporean consumer is not convinced that companies are doing enough to protect their personal data, and this in turn results in a lack of trust and hesitance to purchase online (70 percent). Singapore ranks third, with Finland (72 percent) and Malaysia (74 percent) holding the top two spots.

Other findings include:
- **Singapore (32 percent), India (35 percent) and China (39 percent) had the highest proportion of respondents** who were 'extremely concerned' around the handling and use of their personal data
- **Singaporean consumers felt the most defenceless** among Asian respondents over the way organisations handle and use their personal information (36 percent), with just over 10 percent indicating that they had full or sufficient control
- **Only 34 percent believe that there will be more online privacy in 10 years' time**, compared to Malaysia (62 percent), China (42 percent) and India (51 percent)

"Companies are now beginning to see cyber security as a business enabler; a golden opportunity to build trust and consumer confidence by being cyber-ready and cyber-safe. This could be achieved by implementing the right processes and technologies, and educating their staff, management and the buying public," said Mr Pereira.

Other global highlights from the report
- 57 percent of people fail to read, or only skim, privacy policies on entering websites
- Unwanted marketing (59 percent) was cited as consumers' top concern about businesses using their personal data, followed by their data being sold to third-parties (58 percent) and organisations having unsecure systems (55 percent)
- Over two-thirds of people are not comfortable with smart phone and tablet apps using their personal data
- In all markets but one, at least 75 percent of respondents said they were uneasy with their online shopping data being sold to third-parties

For companies seeking to use personal data to personalise their marketing and services to the individual, or to build brand loyalty and develop better products, it is important they understand that although opinions on privacy vary around the globe. It is clear that, more than anything, consumers value privacy over convenience.

"An executive would be at risk of being fired if half their customer base disappeared after they made a crucial business decision," said **Mark Thompson,** Global Privacy Lead at KPMG. "Understanding the value exchange between access to personal information and trust has never been more important than it is today."

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Note to editors

About the survey
The report, 'Crossing the line: Staying on the right side of consumer privacy', details the privacy preferences of 6,900 consumers in 24 countries and was in field between 14 April and 5 May, 2016.

About KPMG in Singapore
KPMG in Singapore is part of a global network of professional services firms providing Audit, Tax and Advisory services. The KPMG network operates in 155 countries, with more than 174,000 people working in member firms around the world. In the ASEAN region, member firms operate across all 10 countries of this regional grouping providing professional services supporting the growth, compliance and performance objectives of our clients.

The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

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