

AROUND THE WORLD IN 5 PERSONAS

How Global Consumers Think about Their Data Online

THERE ARE **5** GLOBAL ONLINE PERSONALITY TYPES



64% FULLY 64 PERCENT OF CONSUMERS GLOBALLY KNOW THEIR DATA HAS VALUE TO MERCHANTS AND ADVERTISERS.

EXECUTIVE SUMMARY

Using state-of-the-art techniques, MasterCard has designed a methodology to gauge global consumer attitudes regarding the use of personal data in social and commercial settings. Consumers are by and large fully aware of how their data is harvested and leveraged by the sites they visit. Globally, they separate into five quite clearly defined segments, which MasterCard calls personas, determined by their online behaviors. These behaviors are indicative of their attitudes toward their own data, its value, and, most important, what they go online to accomplish.

BACKGROUND

The subject of information sharing, active or passive, on the part of consumers online has recently been prominent in the news.¹ Newspapers, blogs, and trade publications around the world have disseminated stories about how personal data is a new type of currency, how companies use consumers' data for marketing and offers, and how a person's web experience is becoming

more personalized and customized through the use of observed behavior as a guide.

While these stories cast light on how data is used and what companies do with it, they often don't ask other important questions: Why do consumers want to share their data online? What do they expect to get out of such sharing? How do they manage the sharing of information?

MasterCard's Digital Sharing and Trust Project seeks to add the actual experience of consumers online to the materials of debate. By asking the online public in nine global markets what they know about how merchants, search engines, social media sites, browser providers, and marketers use their information, and ascertaining why those consumers share—or don't share—such information online, MasterCard has centered the conversation about the new framework of personal information on the individual, and how what the consumer wants will drive the future of data.



KEY FINDINGS

The research reveals **five global personas of equal size** that **exhaustively segment** the global online consumer market. These personas are determined by behaviors, attitudes, and awareness regarding sharing personal information. Along with this finding, there are several high-level themes that emerged across the nine markets:

Social Citizenship

Around the world, consumers venturing online in large measure shed their national characteristics and assume what MasterCard is calling social citizenship. Online, their attitudes and behaviors are determined not by their country of origin, but by their needs and goals regarding commerce, communication, and information.

Behavior Is Ingrained and Semiconscious

Consumers' behavior online is largely ingrained and semiconscious. When confronting the question of what to share, web users globally have a set of principles that are pretty effectively hardwired into their online DNA and are answered not explicitly, but by behavior:

- Am I aware of what I am being asked to share?
- Do I trust the site with which I am sharing information?
- Is it relevant to the benefit I am looking for?

Age Is Not a Determinant of Willingness to Share Online

Young people are not more likely than their elders to be open to sharing personal information online. Attitudes regarding sharing are in actuality driven by personality, rather than demographics.

The Value of Digital Identity

Many consumers understand the value of their digital identity and decide how to share their personal information accordingly. Fully 64 percent believe their personal data has value to merchants and advertisers.

Data Hierarchy

Consumers are willing to share certain types of data more than others. The ranking of these types holds across all countries.

Data Collection

Data collection methods strongly influence how consumers feel about sharing online. They are less comfortable when they feel they are passively "tracked," as opposed to actively "sharing" their

information. As many as 55 percent appreciate when companies tailor their offers to them based on the information they share, e.g., suggestions that online commerce sites such as Amazon offer based on their order history. At the same time, a significantly smaller portion, 33 percent, approves of companies tracking online activity if there is some benefit perceived in the exchange.

Transparency

Those consumers with higher awareness of targeted marketing are also those who understand the benefits and prefer shopping online. Thirty-two percent of those aware that marketers place ads targeted at consumers with specific interests also said that when it comes to shopping, they do as much online as they can.

Savvy Consumers

Consumers are increasingly knowledgeable about the way they leverage technology to shop and surf online. They are generally informed about the online world, with more than half of consumers venturing online between five and 10 times per day. They use technology to research, interact, and bargain with retailers, both in-store and online.

- 57 percent of consumers love getting discounts just for "checking in"
- Nearly half of consumers (49 percent) check prices on their mobile devices when in-store to make sure they are getting the best offers
- 60 percent of consumers know how to change the privacy settings on their browser

METHODOLOGY

The Digital Sharing and Trust Project is a proprietary MasterCard asset that is the result of both qualitative and quantitative research conducted in nine markets: the United States, Canada, Germany, United Kingdom, India, South Africa, United Arab Emirates, Brazil and Colombia.

The qualitative portion was executed on an innovative online platform consisting of 128 in-depth interviews over a three-day period where consumers reported on their online behavior and answered questions about their attitudes toward online sharing.

The quantitative portion of the research sought to test, and if possible substantiate findings derived from the qualitative hypotheses. MasterCard surveyed a representative sample of digital consumers aged 16 to 65, all of whom engage in some type of online activity at least once a week. The survey captured 9,029 global responses to more than 50 questions, including demographic, psychographic, attitudinal, and behavioral information.

The five unique personas emerged out of a vigorous statistical examination, which included exploratory factor and cluster analysis. The factor analysis grouped like variables together, creating six distinct dimensions which define and describe online behavior and attitudes. The five unique personas then emerged from subsequent cluster analysis, which grouped respondents together based on the similarity of their answers to the questions in each of the six dimensions. All analysis leveraged globally standardized data to aid the comparison of responses across the nine markets surveyed.

THE SIX DIMENSIONS

The six distinct dimensions are comprised of 50 quantitative data variables, with no variable used twice. Interplay between and scoring of each of the dimensions is fundamentally the metric delimiting the five personas.



The **awareness of targeted marketing** dimension measures how well a consumer understands that online behavior is subject to use for online marketing through tailored offers and services.



The **social networking** dimension measures how frequently a consumer accesses a social network, as well as the value derived from sharing personal information and connecting with others in a social context.



The **online shopping** dimension measures how a consumer uses the Internet to learn more about products for purchase (both online and off) as well as the benefit perceived in shopping online.



The **mobile sophistication** dimension measures how savvy a subject is in the use of mobile devices and how integrated mobile phone usage is in daily life.



The **privacy management** dimension is a measure of how active a subject is in controlling data usage and dispersal.



The **data as currency** dimension is a measure of how willing a consumer is to trade data for deals and offers.



OPEN SHARERS (21 PERCENT)



Open Sharers are highly digital consumers. They are progressive in their mobile and social attitudes, exemplifying open behavior in both. These consumers tend to lead a less risk-averse lifestyle in general, including travel and clothing, but especially regarding online activities. Open Sharers are online consumers and creators—half are online more than 10 times per day, using the web to help organize and share their lives. Along with daily social networking, Open Sharers strongly believe online shopping saves a lot of time and hassle: they store their shipping information on sites they purchase from regularly. Eight in 10 Open Sharers love getting special offers and discounts just for “checking in” via a mobile device, emphasizing not only their willingness to trade location data for deals, but also the sophisticated use of their mobile phone. They are particularly aware of targeted marketing, with nearly full understanding of the value of their data and how merchants, marketers, and consumers interact online. Nearly all of them know that social media sites, search engines, and marketers use their personal information to tailor specific search results and advertising. When they share their personal information, they expect deals, access, and offers in return. At the same time, Open Sharers also know how to manage the privacy settings on their browsers, ensuring that they only share when they know how their information will be used.

OWNERSHIP

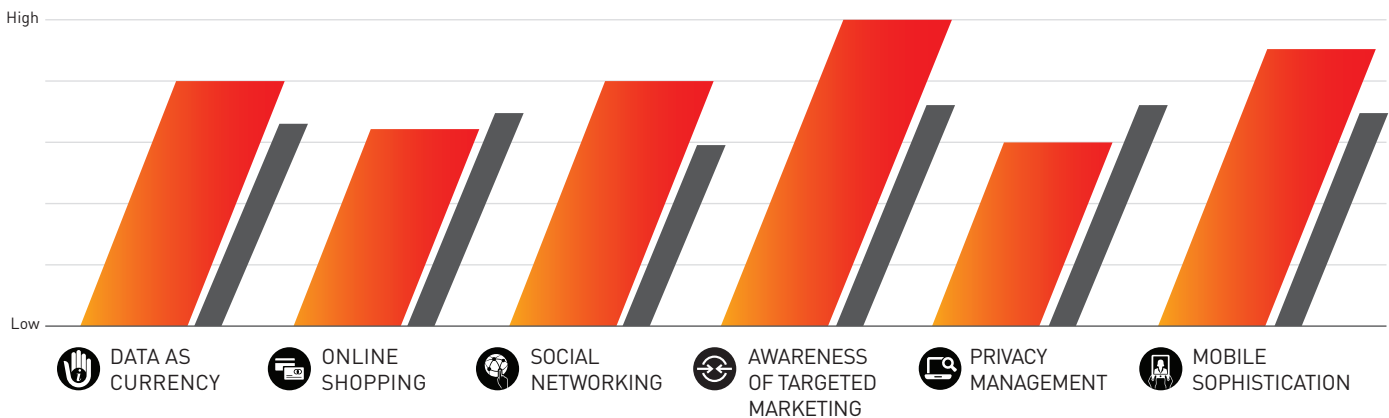


ACCESS DAILY



PERSONAL TRAITS

■ = OPEN SHARER ■ = AVERAGE USER



SIMPLY INTERACTORS (21 PERCENT)



Simply Interactors are the ultimate social networkers, with nine in 10 accessing Facebook daily. They view social networks as an easy way to stay connected, and feel themselves “missing out” when they are unable to connect with others online. While Simply Interactors are dedicated social networkers, they are not particularly tech-savvy consumers: their usage of smartphones and tablets is basic. When it comes to online shopping, while 80 percent research products online, 63 percent prefer to do their shopping in person. When looking to shop online, seven in 10 Simply Interactors will look for reviews about unknown companies before making a purchase. Simply Interactors are aware of targeted marketing, but don’t see their data as that valuable, and so do not express significant concern about it.

OWNERSHIP

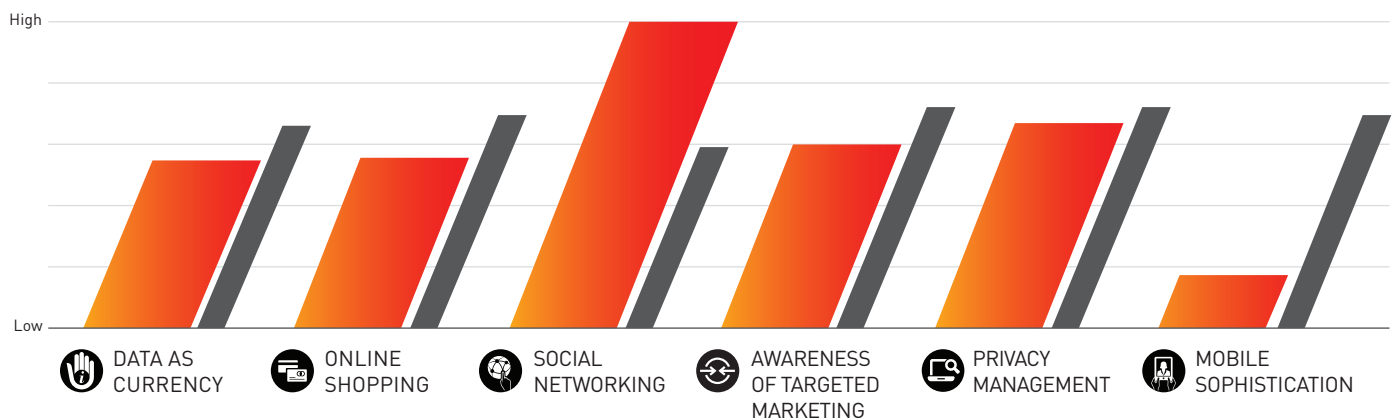


ACCESS DAILY



PERSONAL TRAITS

■ = SIMPLY INTERACTOR ■ = AVERAGE USER





MasterCard

SOLELY SHOPPERS (21 PERCENT)



Solely Shoppers are characterized by their reliance on the Internet for their shopping needs, both in product research and actual purchase. Indeed, it's shopping that drives this persona online, as 73 percent believe online shopping saves a lot of time and hassle. Ninety percent research products before buying, and half of Solely Shoppers use their mobile phone to price check in-store to get the best deals: their primary use of personal technologies is for enacting savvy shopping strategies. Though they view the Internet as a convenient and safe way to shop, they are much less involved in other online activities, such as social networking and entertainment (streaming music or videos). They have very little awareness of targeted marketing, as only 37 percent of this segment are aware that social media sites use their personal data to inform targeted ads. They generally do not see their personal information as valuable to merchants and advertisers, though they appreciate getting special offers and discounts for checking into a store.

OWNERSHIP

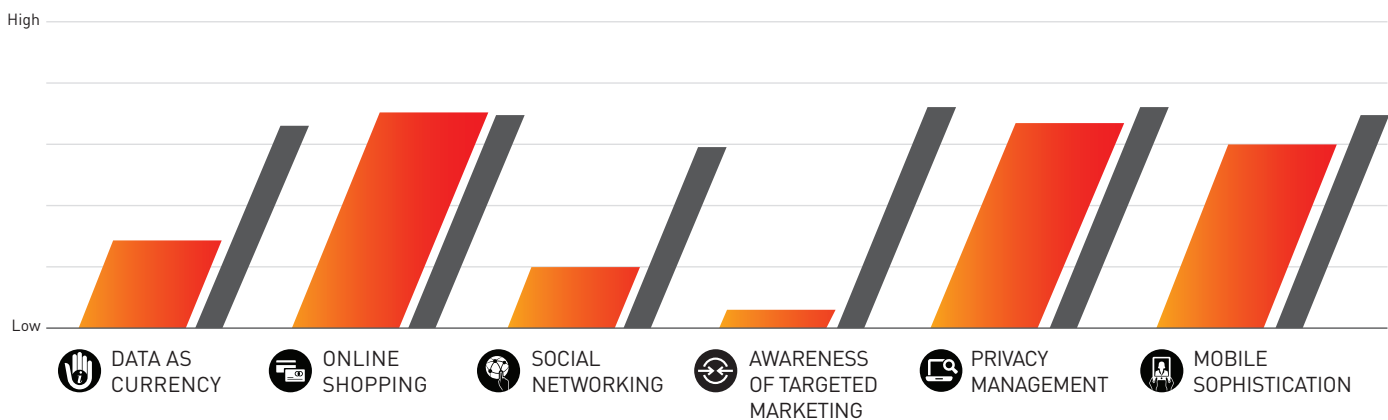


ACCESS DAILY



PERSONAL TRAITS

■ = SOLELY SHOPPER ■ = AVERAGE USER





PASSIVE USERS (20 PERCENT)



Passive Users are not fully convinced of the value of the Internet, and they use the web less than other segments. Broadly speaking, they're risk-averse, not just with the Internet but with their career, travel, clothing styles, and financial management. Passive Users have a low awareness of targeted marketing and low levels of privacy management. Only 41 percent see their personal data as having value to merchants and advertisers, likely a result of their more offline lifestyle. They are less frequent social networkers than the average—48 percent find social networks an easy way to stay connected, and 41 percent feel they're missing out when they don't check their social networks daily. Passive Users are not heavy online shoppers, but they are more likely than other personas to shop via a mobile device—this follows from their preference for practical mobile applications that have a clear benefit like mobile banking and location-based recommendation services. Passive Users are more willing than other personas to trade their data for something in return, which explains their preference for the practical. This also explains why 42 percent use mobile banking apps and 18 percent use location-based recommendations apps.

OWNERSHIP

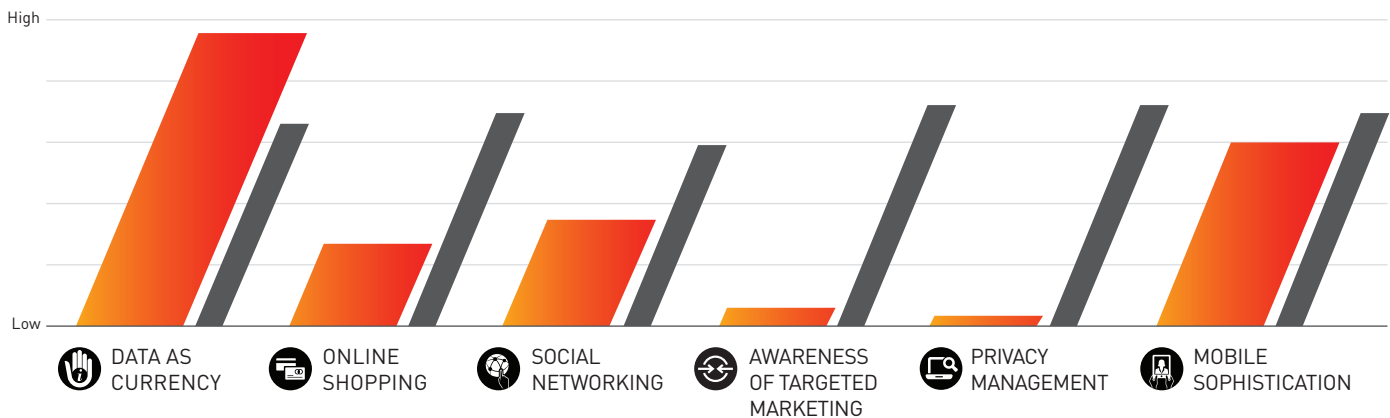


ACCESS DAILY



PERSONAL TRAITS

■ = PASSIVE USER ■ = AVERAGE USER





MasterCard

PROACTIVE PROTECTORS (17 PERCENT)



Proactive Protectors are guarded when it comes to sharing online. They are highly aware of targeted marketing and the ways their data is used to tailor marketing to them, and as a result are very active in privacy management. Fully 82 percent know marketers can target them based on their search and browsing history, but only 26 percent are willing to be tracked online in exchange for a benefit. As many as 79 percent know their data has value to merchants and advertisers, but they don't trade or reveal that data lightly, and they take steps to control their digital footprint. Fully 90 percent say they only share information about themselves online when they know how it will be used, and 76 percent clear the cookies stored on their browser. Proactive Protectors are unlikely to use social networking sites, seeing them as not having much value. While they shop online because it saves them time, they are not willing to trade information about themselves to access deals.

OWNERSHIP

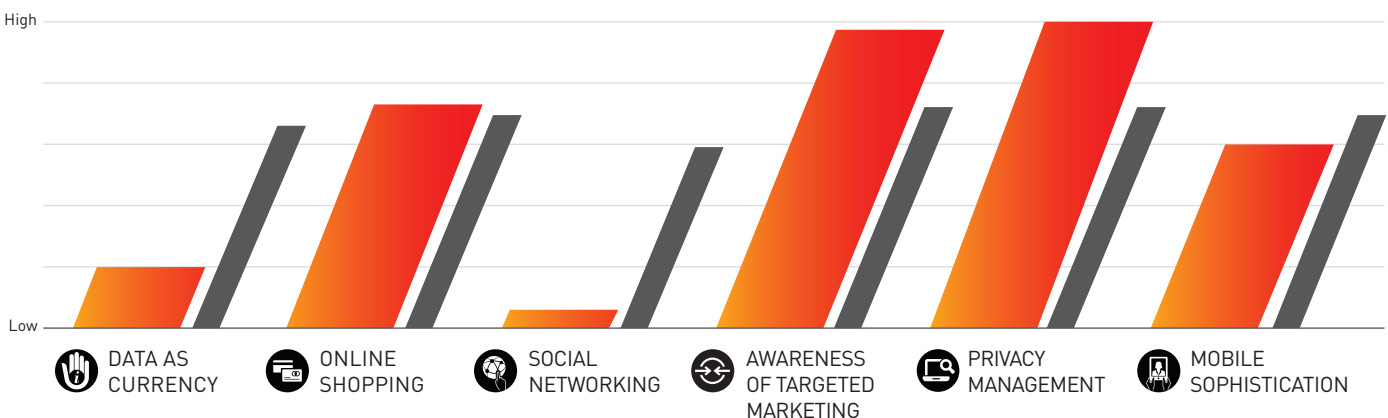


ACCESS DAILY



PERSONAL TRAITS

■ = PROACTIVE PROTECTOR ■ = AVERAGE USER



IMPLICATIONS

Merchants



The five personas comprising the top-level learnings of the MasterCard Digital Sharing and Trust Project present a challenge for merchants.

While the personas represent five discrete, identifiable, and globally applicable segments for marketing, merchandising, and risk management, they do not differentiate from each other based on the traditional demographic markers of age, income, and geography. Rather, they are delimited solely in terms of online behavior, essentially a new paradigm for merchants on the Internet.

This in itself could be good news for merchants. Rather than seek to infer demographic delineations by correlating behaviors to other factors or try to obtain that information from other databases, merchants have the opportunity to profile consumers based solely on their behaviors online. Careful observation of buying patterns, triangulated with other data sources, allows merchants to gain greater efficiency by tailoring offers to specific segments. Merchants need to develop knowledge of what they must do to gain the trust of the different segments and cater to their needs.

At the same time, merchants collecting data need to understand the clear hierarchy of sensitivity that exists and drives those consumers who are prospects. They must understand that the merchant community is not generally the most trusted link in the cyber buying chain and that financial services institutions retain the highest level of consumer trust. Partnerships with financial services institutions, along with a strict regard for the data sensitivity hierarchy that exists alongside the trust hierarchy, represents a way forward for retailers globally.

Governments



While local nuances abound, in general it is evident that there are two data-usage models in place globally: bottom-up, putting the consumer in charge of his own data usage preferences

based on need and behavior (as exemplified by the U.S.), and top-down, with data usage determined by existing regulation (as exemplified by the E.U.). Most other countries take the lead from one or the other of these paradigmatic regulatory frameworks. That is to say, in the U.S. and those countries following the bottom-up line, regulators set looser guidelines,

and it is up to consumers themselves, using the tools at their disposal, to create their own digital profiles regarding sharing information about themselves and receiving offers and discounts in turn. In the top-down world, regulation limits the amount of consumer data merchants and others are able to use freely. Merchants have a greater burden to adjust their goals to the regulator's vision of what is and is not appropriate to share.

But the Digital Sharing and Trust Project reveals that attitudes relating to data sharing are global, not local or even regional. The concept of Social Citizenship means that consumers globally shed their national characteristics when entering cyberspace. Consumers make decisions regarding what to share based on how much value they get from sharing. To the extent that governments can design clear standards for what information merchants should have access to, how consumers can exercise some control over how their data is applied, and how clearly those standards are explained, they can safeguard consumer protections in the smartest possible way—by providing consumers the means to make that value judgment in an educated way.

Financial Service Institutions



A dual hierarchy emerges from MasterCard's 5 Personas work.

On the one hand consumers have a clear rank-ordered preference of the kinds of information they are comfortable sharing at the variety of sites with which they interact online. But there is also another hierarchy, comprised of the sites themselves by type, that determines which category of website generates what levels of trust.

Consumers have a higher level of trust in financial services institutions—banks—than they have in any other kind of site with a widespread presence on the World Wide Web. What's interesting is that banks are at the very pinnacle of the information hierarchy—custodians of the kind of information consumers are most sensitive about, such as Social Security or tax identification number, financial information, and payment information by type of purchase. Banks have earned this trust by their reputation. The scope of the data in their care is limited, but of the highest importance to the consumer. For financial services institutions to retain that trust, they need to be very clear: What are they collecting, and how do they plan to use it?

From the standpoint then of marketing and product design, financial services institutions, especially those enabling consumer payments, are in the position of honest brokers.

The card relationship—including, potentially, the mobile payment device—then becomes the housing for the consumer’s own data-sharing preferences and guidelines, largely because the relationship is managed by the highest level of the trust hierarchy.

Consumers



Consumers are aware of the level of trust they have in different components of the value chain. But “awareness” is different from knowledge, and education could be the key to responsible online behavior moving forward. Consumers act from

habit, that is to say semiconsciously, online, and unless that behavior is founded on knowledge, there could be trouble ahead for them.

Merchants, financial services institutions, and the regulator alike must understand that rather than a timid and fear-driven population, consumers online are in search of value as well as utility and are capable, by and large of judging for themselves their own risk tolerance based on the reward they’re looking to receive.

What the 5 personas work does not suggest, however, is how a greater level of trust among those not already shopping online could boost overall ecommerce online. In the U.S., for example, a reasonable proxy for the developed world, ecommerce is still just 10 percent of total salesⁱ (seven percent is a likely figure for the EUⁱⁱⁱ), which belies the Internet’s promise.

IMPLICATIONS

The development of targeted advertising, personalized offers, and sophisticated tracking and profiling techniques has been around for a long time—but not as long as the Internet itself. The industry is fast approaching the 20th anniversary of the widespread availability of web browsers and the concomitant birth and growth of Internet retailing and payments. Indeed, many of the “innovative” solutions to data security and privacy issues currently roiling the industry (e.g., digital wallets) date back to the late ‘90s, if not earlier.

This means that the majority of consumers are both used to and comfortable with the Internet. Consumers are largely aware but not able to quantify the value of their data—they know that it has some value, but need help understanding the nature and amount of that value.

The emergence in the Digital Sharing and Trust Project of financial services institutions as the most trusted members of the online value chain suggests that these institutions have a key role to play. As custodians of consumers’ most sensitive information, especially data relating to payments and the liquidity that lies behind payments, they have only to leverage this trust into their product design and implementation to become the honest broker in the world of online payments.

ⁱ <http://www.usatoday.com/story/tech/2013/04/22/microsoft-launches-free-consumer-privacy-toolx/2104571/>

<http://www.informationweek.com/security/privacy/consumers-concerned-about-online-data-pr/240153296>

http://www.washingtonpost.com/business/technology/germany-fines-google-as-facebook-microsoft-launch-privacy-campaigns/2013/04/22/c350bf92-ab5f-11e2-b6fd-ba6f5f26d70e_story.html

<http://techcrunch.com/2013/04/23/boomerang-rewards-lets-web-mobile-publishers-give-out-free-gift-cards-earn-extra-money/>

ⁱⁱ Fourth Quarter U.S. Marketshare Survey Highlights, ComScore

ⁱⁱⁱ Forrester Research