

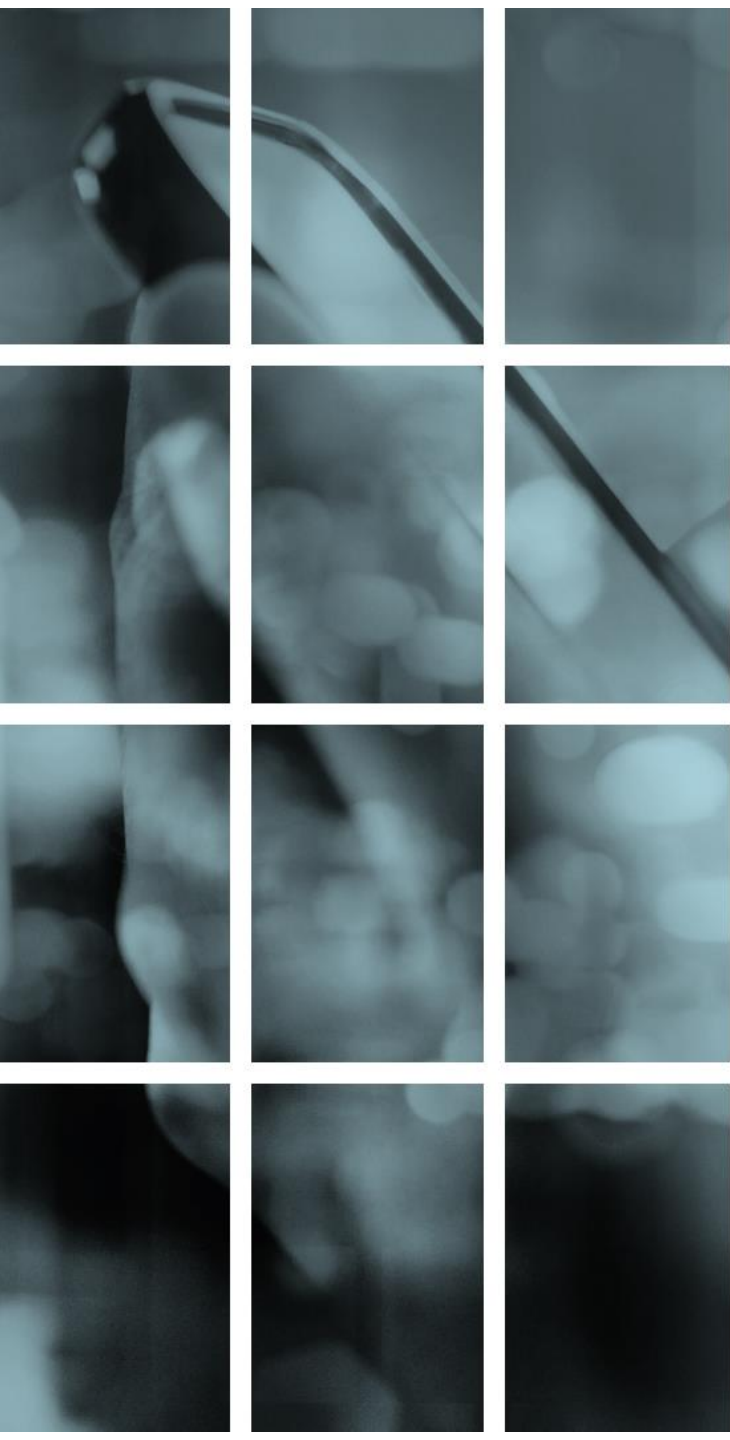
CPRC 2020 Data and Technology Consumer Survey

*Consumer research conducted in partnership with
Roy Morgan Research over March and April 2020*

Contents



Executive summary	3
Introduction to our research	6
Part one: Consumer usage and reliance on data-driven products and services	10
Part two: Consumer attitudes toward data handling and privacy practices	16
Part three: Consumer expectations of digital marketplaces	24
Part four: Consumer policy insights	34



Executive Summary

Overview of our consumer research findings

CPRC's 2020 Data and Technology Consumer Survey reveals the increasing reliance consumers have on digital technologies, products and services.

- 70% of Australians use Google products or services daily, while 58% use Facebook daily.
- 28% of 2020 survey respondents visited online shopping websites at least once a week, up from 21% in 2018.
- Location apps and GPS devices were by far the most commonly used internet-connected devices (69% of consumers) – while smart assistants (32%) and exercise health trackers (24%) were also commonly used.

Privacy Policies offer no protection when the majority of consumers don't read them. Australians also view the sharing and selling of personal information by companies as an unfair practice.

- Privacy Policies and Terms and Conditions (T&Cs) continue to be ineffective at informing consumers of company data-handling practices – 94% of Australians are not reading this information all the time.
- Of consumers who had read a Privacy Policy or T&Cs in the past 12 months, 69% admitted to having agreed to them for at least a few products/services despite feeling uncomfortable doing so.
- 85% of consumers consider it is unfair for companies to share personal information they've provided with other companies – while 90% think it is unfair for this information to be sold to other companies. A large majority of consumers also find it unfair when companies collect more information than is necessary to deliver the product or service they are receiving (88%).
- Consumers have high concerns about online safety issues, with concern highest regarding data breaches or hacks (94%), personal data being used for fraud or scams (93%) and children's data being misused (92%).

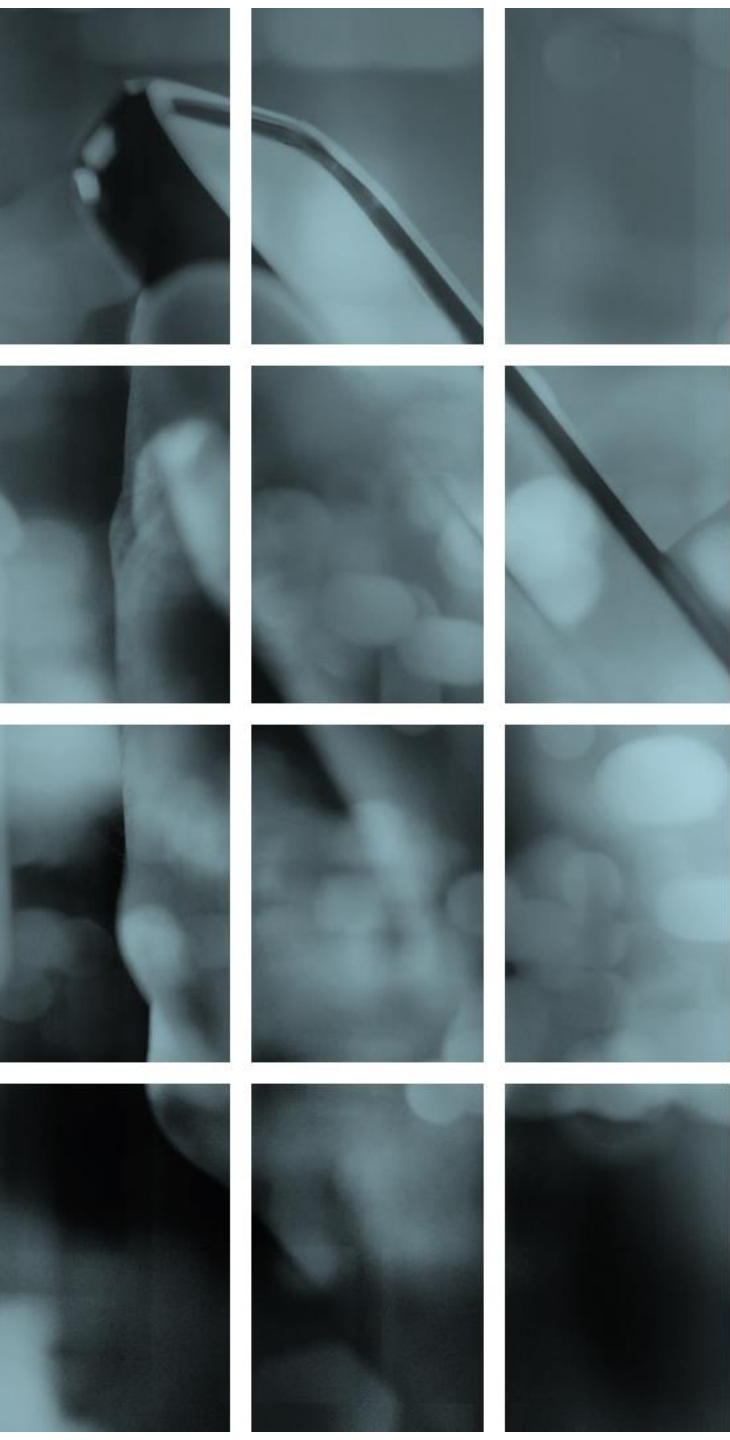
Overview of our consumer policy insights

Consumers consider that both companies and government have high levels of responsibility for making sure consumers are protected from unfair and harmful data practices.

- A majority of Australians consider companies have a “high” level of responsibility in protecting their personal information, for example:
 - protecting against consumers’ information from being used in ways that make them worse off (82%)
 - protecting consumers against collection and sharing of their personal information (75%).
- Government is also seen to have high responsibilities in these areas (79% and 67% respectively) – while 80% of consumers consider government has a “high” level of responsibility for developing protections to ensure no one is excluded from essential products or services based on their data.

Market and regulatory failures in relation to companies’ data-handling practices mean that digital marketplaces are failing to deliver fair outcomes to consumers.

- At a time when COVID-19 has increased consumer reliance on digital technologies and marketplaces, Australians are left to rely on analogue laws and regulations to protect them in an increasingly digital world.
- Australia’s consumer protections need to be modernised so that consumers are protected against practices that unfairly exploit information asymmetries, bargaining power imbalances and behavioural biases in digital marketplaces.
- Reform processes already announced – such as an unfair trading practice prohibition and general safety provision being added to Australian Consumer Law, and a comprehensive review of the Privacy Act – need to deliver stronger protections without delay. This will ensure Australian consumers are properly protected, and help to drive greater trust and confidence in digital marketplaces, as the economy recovers from COVID-19.



Introduction to our research

Background

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit organisation that undertakes interdisciplinary and cross-sectoral consumer research. We want markets to deliver a fairer, safer and more inclusive future for consumers.

Data and technology issues are a research focus for CPRC, including emerging consumer risks and harms and the opportunities to better use data to improve consumer wellbeing and welfare.

In 2018, CPRC engaged Roy Morgan Research (Roy Morgan) to conduct a survey regarding Australians' knowledge, behaviours and attitudes regarding data collection, sharing and use. In 2020 Roy Morgan were engaged to refresh the survey findings from 2018 – and also expand the research scope to cover recent developments in data technology, collection, sharing and use.

This report presents the findings of the 2020 survey – drawing out some key consumer policy insights from the results. The research builds off extensive research from CPRC relating to data, digital marketplaces and the outcomes consumer both experience and expect. This past research includes:

- [*Data and the Digital Economy*](#) report in 2018
- [*The Day in the Life of Data*](#) report in 2019
- [*Consumers and COVID-19: from crisis to recovery*](#) report in 2020.

Research objectives and methodology

The objectives of our consumer research was to build on our understanding of Australians' behaviours and attitudes towards digital marketplaces, in terms of:

- interactions with different data-driven products and services
- knowledge and acceptance of data collection, use and sharing
- attitudes towards the use of data for marketing and personalised pricing
- concerns towards personal data breaches and misuse
- responsibilities of consumers, government and companies with regard to protection.

To fulfil these objectives, a nationally representative online survey of 1000 consumers aged 18 or over was undertaken between 19 March and 1 April 2020, in partnership with Roy Morgan. The survey results have been weighted so they are representative of the Australian population.

The online survey was supplemented by in-depth 30 minute telephone interviews of 10 online survey respondents carried out between 6-8 April 2020. A selection of quotes from these interviews are included throughout the report.

How to read this report

This report is divided into four parts - reflecting the focus of our consumer research.

Part one is about the reliance Australian consumers have on data-driven technologies and “**digital marketplaces**”^{*} – and explores how this reliance has evolved since 2018. It looks at what technologies, products and services Australians are using and what this means for their daily lives.

Note: *our consumer survey took place mostly in March 2020 – before COVID-19 restrictions fully set in. On p. 15 we highlight other research that shows how consumer behaviours have changed dramatically due to COVID-19 restrictions.*

Part two is about current consumer attitudes toward data practices and privacy – and how these compare to our 2018 survey results.

Part three explores consumer attitudes toward fairness, safety and responsibility for protections in digital marketplaces. All of these questions were asked for the first time in our 2020 survey.

Part four sets out the key consumer policy implications our research results pose – and what can be done by market stewards to ensure consumers interests are promoted in digital marketplaces.

CPRC uses the term “digital marketplaces**” to mean a broad range of online locations – for example, apps, websites or digital platforms – where consumers can engage in activities such as accessing and receiving information, comparing propositions and finalising transactions (be they monetary or data-based).*

Part One

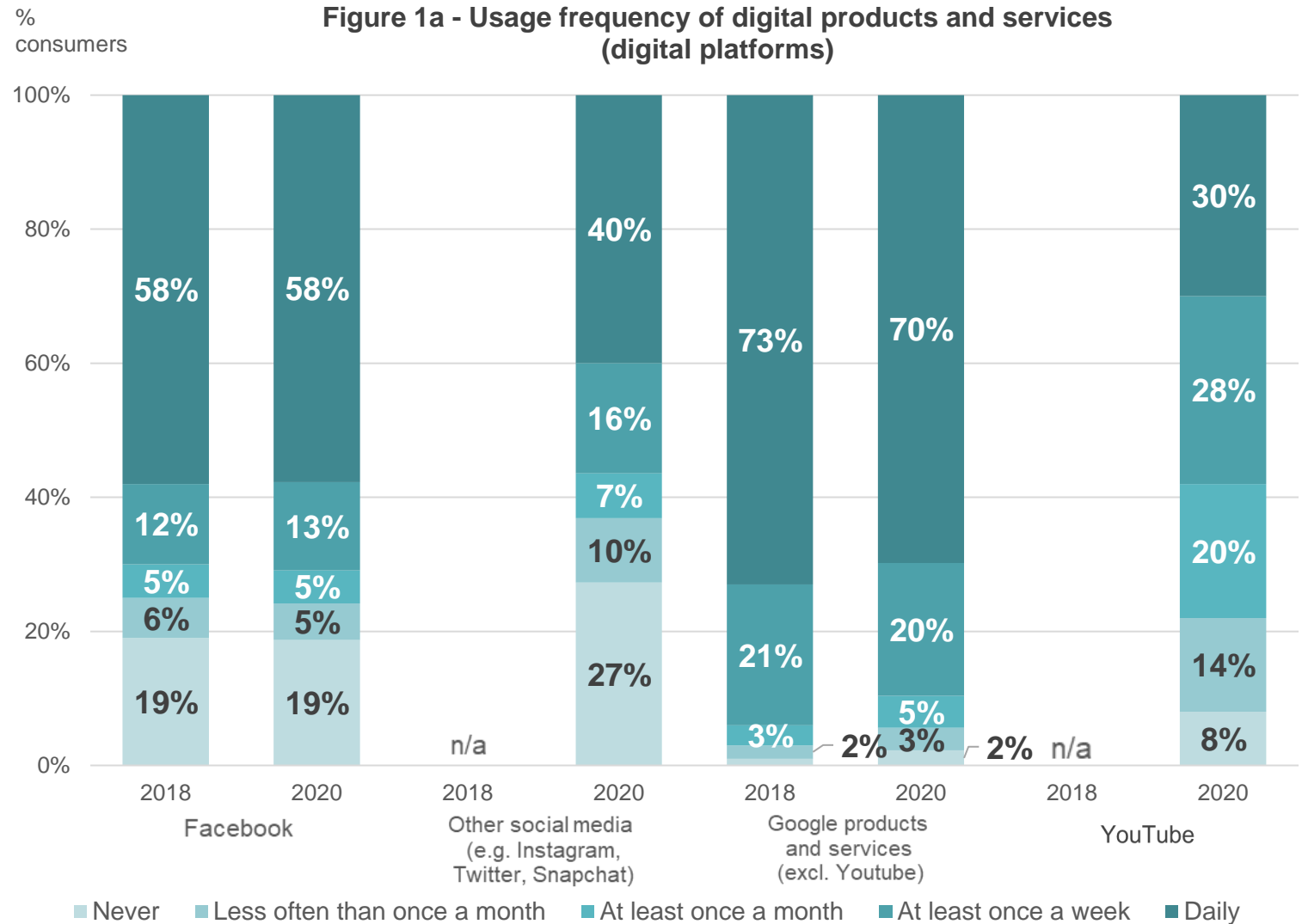


**Consumer
usage and
reliance on
data-driven
products
and
services**

Consumers continue to use digital platforms at a high frequency – with over half of consumers using Google and Facebook products daily

Use of Google products and services remained stable between 2018 and 2020, with 70% of consumers continuing to use these daily. 58% of Australians also used YouTube at least once a week.

Social media was commonly used, with 58% and 40% of Australians being daily users of Facebook and “Other social media” respectively.



Q: In the past 12 months how often did you use:

Note – data labels ≤ 1% are not shown

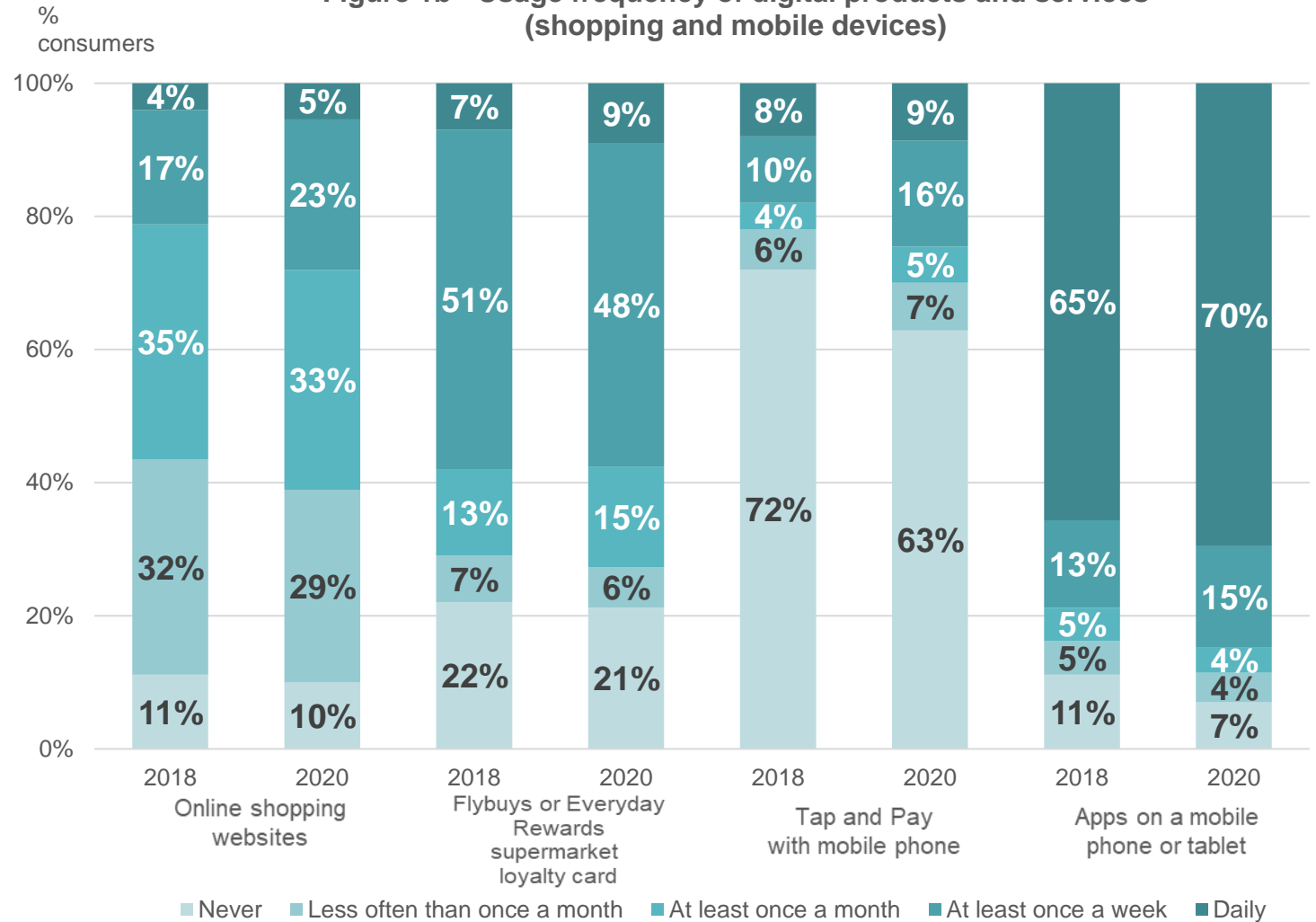
There were significant increases regarding usage of apps and online shopping between 2018 and 2020

28% of 2020 respondents visited online shopping websites at least once a week, well up from 21% in 2018.

There were also significantly more daily users of apps on mobile phones or tablets in 2020 (70%) compared to 2018 (65%).

Tap and Pay use also increased - with 25% of consumers using this technology at least once a week (18% in 2018).

Figure 1b - Usage frequency of digital products and services (shopping and mobile devices)



Q: In the past 12 months how often did you use:

Our survey indicates that 81% Australians are currently using internet connected devices

Locations apps and GPS devices were the most commonly used internet-connected device (69%), followed by smart assistants (32%) and exercise health trackers (24%).

The survey also revealed that less than 8% of Australians currently use the following internet connected devices:

- Smart household appliances (7%)
- Smart home security system (6%)
- Smart thermostat (2%)
- Smart baby monitor (2%).

19% of consumers indicated that they did not use any of the internet connected devices we asked about.

Figure 2 - Internet connected devices consumers are using



69%

Use locations apps / GPS devices



32%

Use smart assistants
(Siri, Alexa, Google Assistant etc.)



24%

Use exercise / health trackers



13%

Use smart watches



8%

Use smart cars

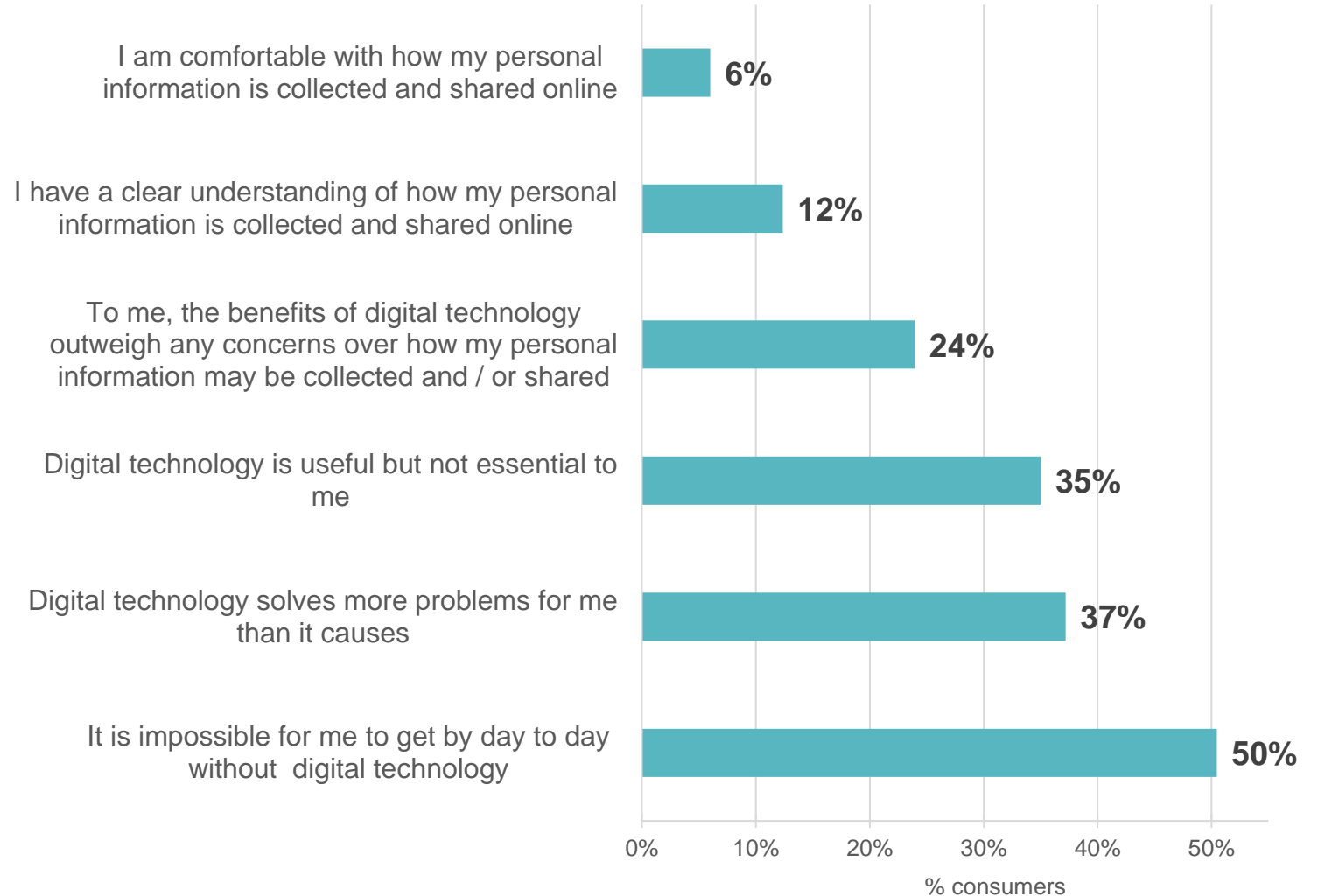
Q: Which of the following internet connected devices do you currently use:

While there is a heavy reliance on digital technology among many Australians, most do not feel comfortable or properly informed with how their personal information is handled online

Only 12% of consumers feel that they have a clear understanding on how their personal information is collected and shared.

Only 6% of consumers are comfortable with how their personal information is collected and shared online.

Figure 3 - Consumer attitudes towards digital technology



Q: Which of the following statements do you agree with:

Due to COVID-19, consumption of digital products and services has exploded in recent months

Consumer research from other organisations – conducted after CPRC’s survey – shows how consumer behaviours have changed dramatically due to COVID-19.

- [eSafety Commissioner](#) research shows how people have been using the internet “a lot more” for staying up to date with news (30%), work (27%), watching videos (27%), and social media (25%). 10% of respondents reported shopping online “a lot more.”
- [Office of the Australian Information Commissioner](#) research shows that 47% of Australians have downloaded an app or signed up to a new digital service due to COVID-19.
- [Australian Communications and Media Authority](#) research found that in the first six months of 2020 more Australians had participated in a range of online activities compared to 2019, with the biggest jumps seen relating to watching videos (83% 2019, 89% 2020) and shopping (78% 2019 to 83% 2020) online.

Figure 4 – Respondent quotes about the impact of COVID-19 restrictions on how often they are online



“My classes are now online, so I spend even more time on the internet.”



“Now that I’m working from home; I seem to spend every moment online.”



“I already spent most of my time online.”

Q: (As of early April 2020) do you find that in the last few weeks (with everything that’s going on), you have been using the internet more than usual, about the same amount or actually less than before?

Part Two



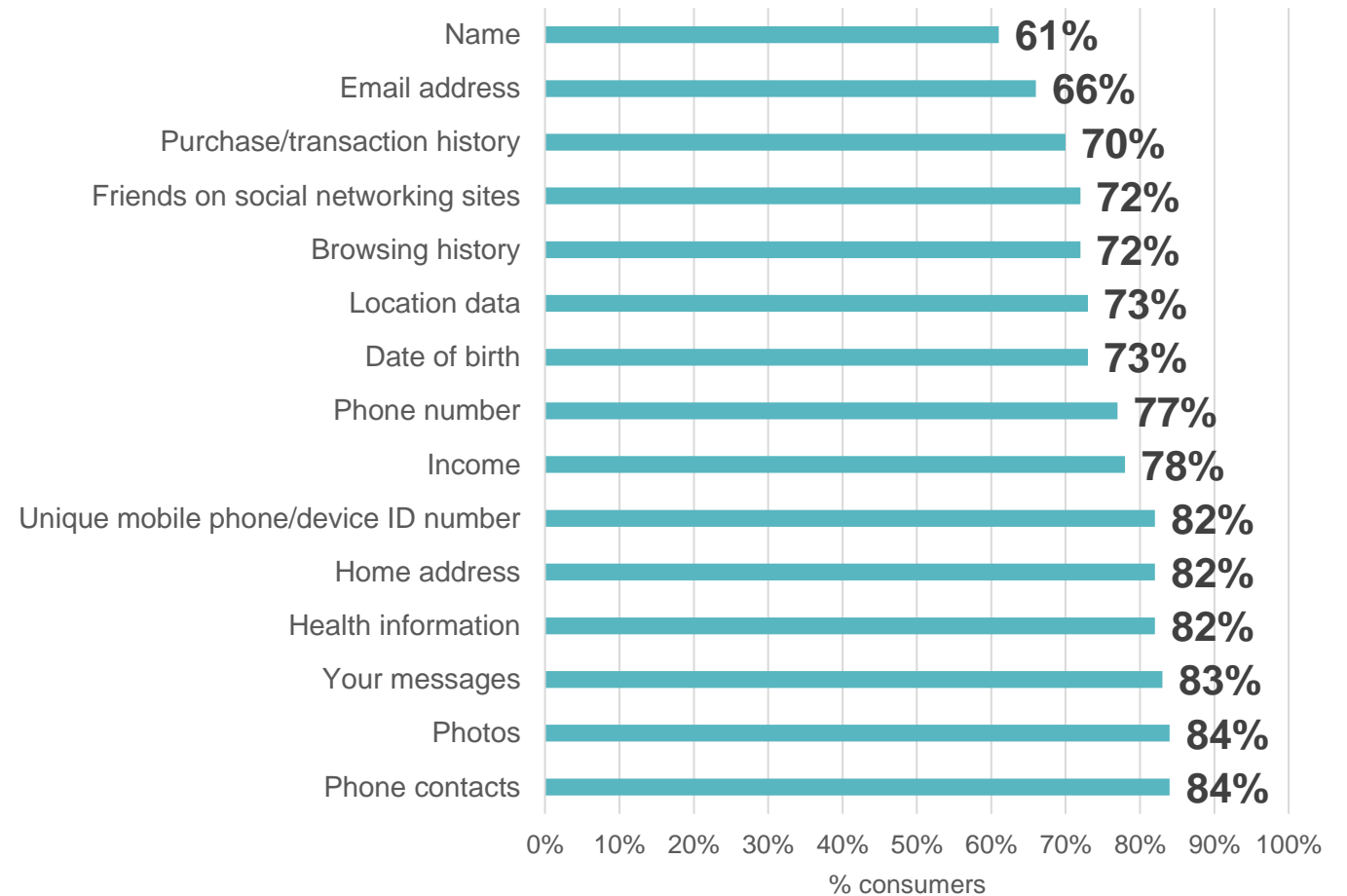
Consumer attitudes toward data handling and privacy practices

More than 60% of Australians were uncomfortable with companies sharing their personal information with third parties for purposes other than delivering products and services they'd signed up for

Over 8 out of 10 consumers are uncomfortable with the unnecessary sharing of information regarding their:

- phone contacts (84% 2020, 87% 2018),
- photos (84% 2020, n/a 2018)
- messages (83% 2020, 86% 2018)
- unique ID numbers for mobile phone/devices (82% 2020, 84% 2018).
- Health information (82% 2020, n/a 2018)
- Home address (82% 2020, n/a 2018).

Figure 5 - Information consumers are uncomfortable with companies sharing with third parties for purposes other than delivering a product or service



Q: What data/information would you be uncomfortable with companies sharing with third parties for purposes other than delivering the product or service?

Privacy Policies and T&Cs continue to be ineffective at engaging Australians – 94% of consumers are not reading this information all the time

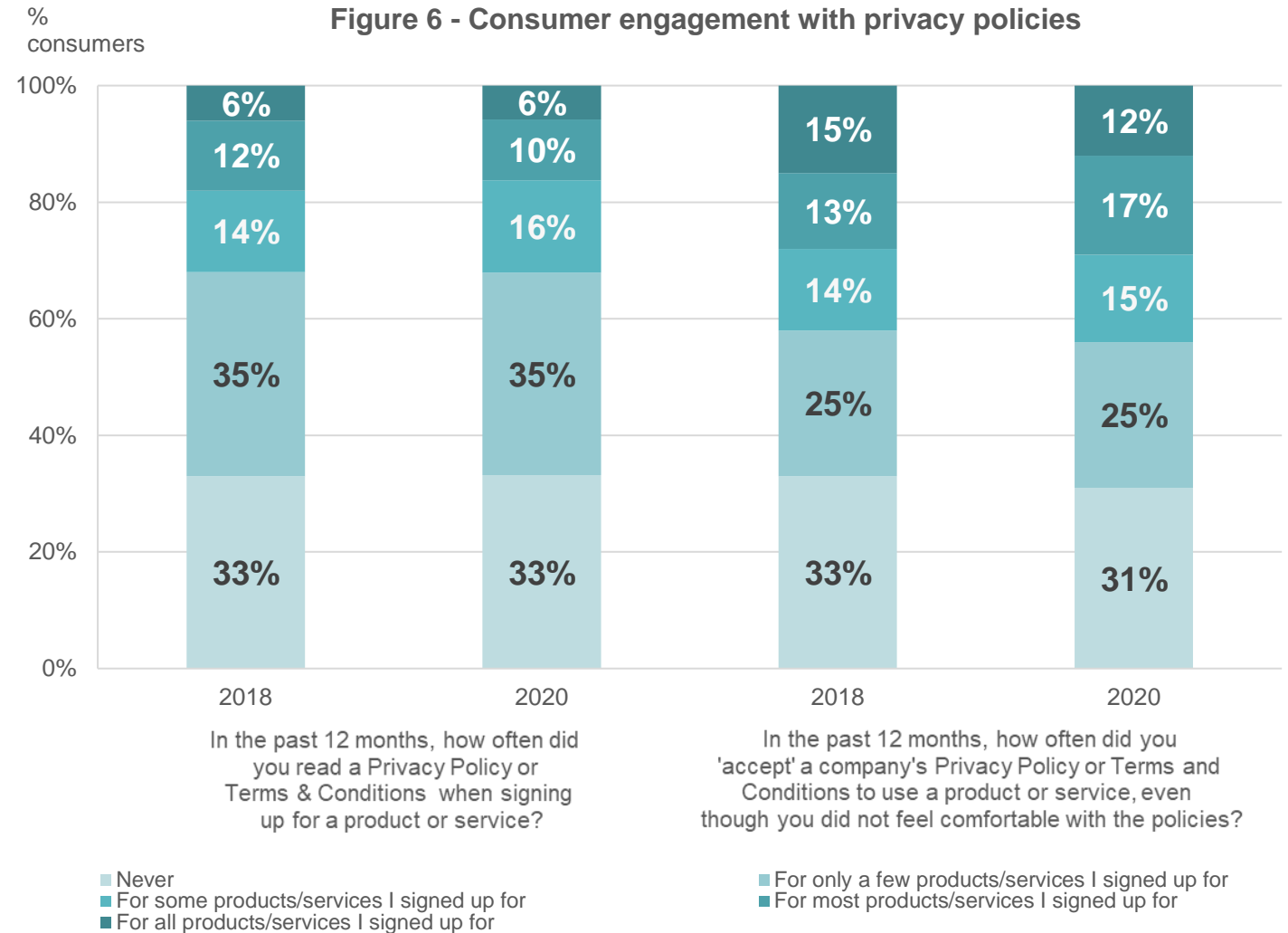
Reading of Privacy Policies and T&Cs did not change between 2018 and 2020. 33% of consumers never read these documents, and 35% read them only for a few products/services.

“Hardly anyone reads the Terms and Conditions and it’s so long and detailed, you can’t really get the critical data from it.”

“It’s really quite hard to find the Terms and Conditions, then they are generally not written to provide information easily.”

Of the 67% of 2020 survey respondents who said they had read Privacy Policies or T&Cs in the past 12 months - 69% reported accepting terms even though they were not comfortable with them.

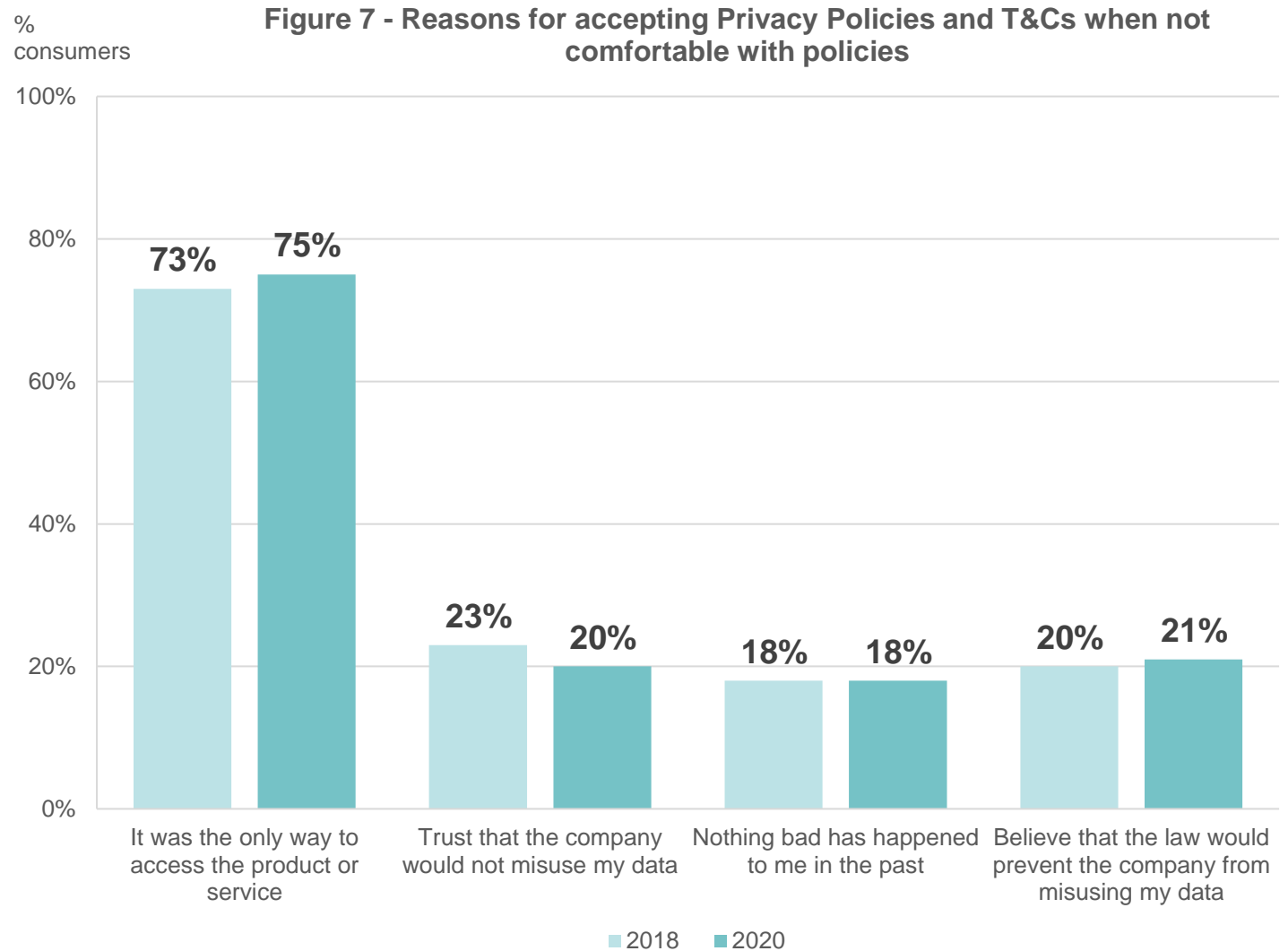
Figure 6 - Consumer engagement with privacy policies



Of the Australians who had felt uncomfortable accepting Privacy Policies and T&Cs in the past 12 months, 75% did this because “it was the only way to access the product or service”

20% of consumers accepted Privacy Policies and T&Cs because they trusted the company would not misuse their data.

21% of consumers accepted - believing that the law would prevent the company from misusing their data.

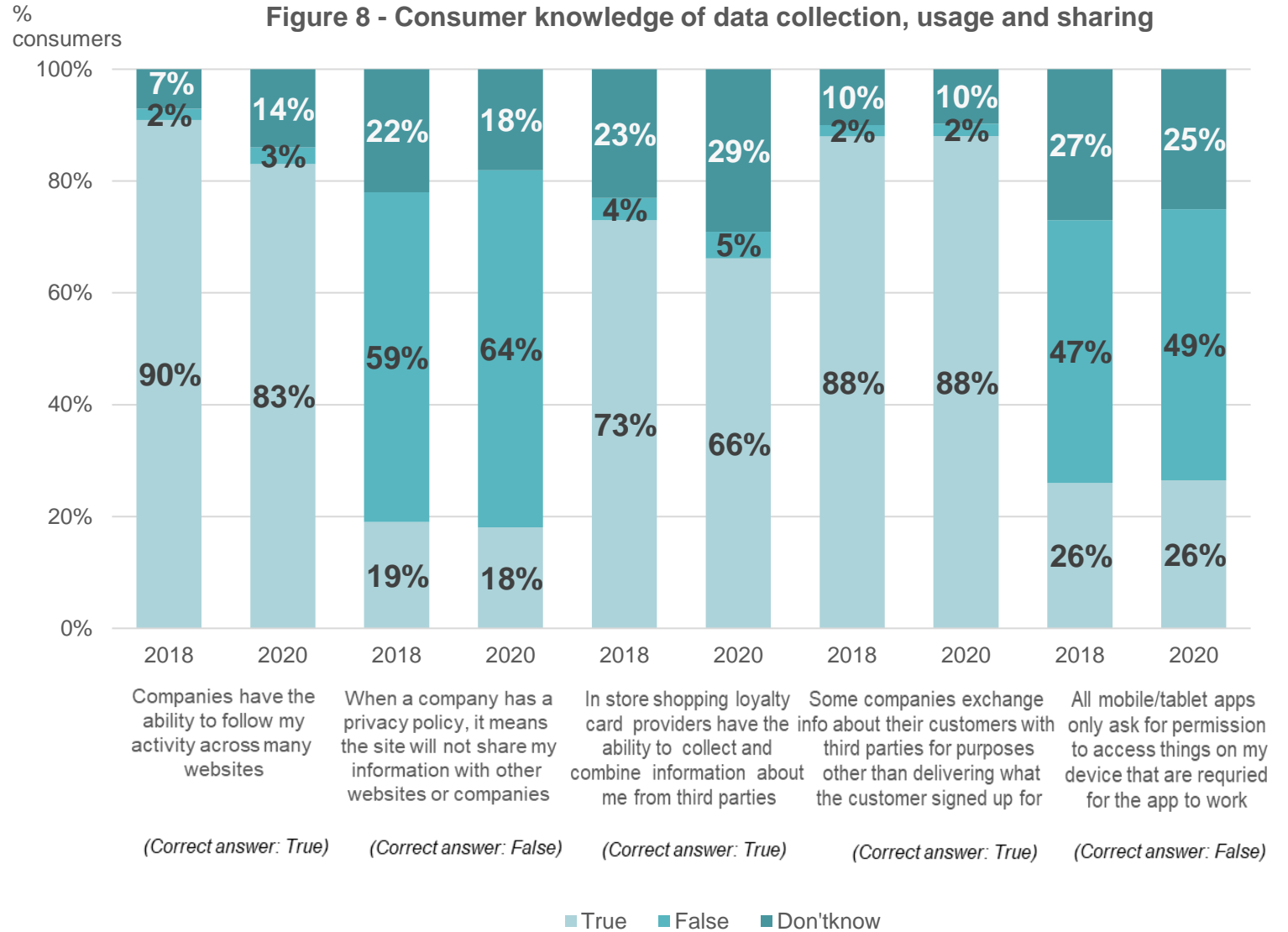


Q: Why did you 'accept' the Privacy Policy or Terms and Conditions even though you did not feel comfortable with the policies?

Since 2018 we have seen some drops in consumer knowledge concerning the data practices of companies they engage with

Less Australians are certain that companies today have the ability to follow their activities across many websites – with those knowing this to be true falling from 90% in 2018 to 83% in 2020.

The only significant increase in knowledge seen since 2018 was regarding a company having a Privacy Policy not meaning they won't share consumers' information with other websites or companies (59% knew this to be false in 2018; up to 64% 2020).



Q: Choose True, False or Don't know for the following statements as best reflects your opinion:

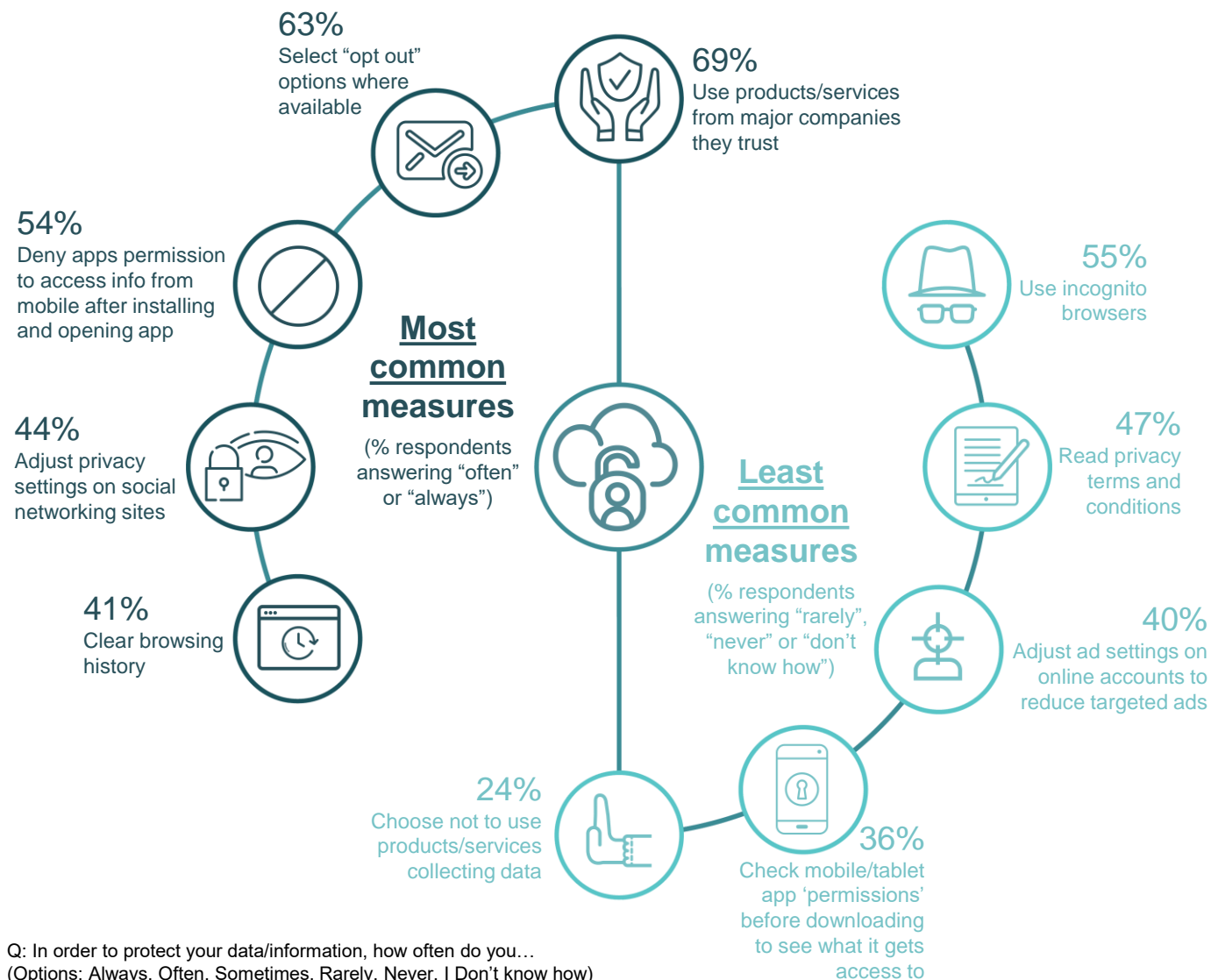
Note – totals may not add to 100% due to rounding

Figure 9 – Summary of measures consumers take to protect personal information (2020 survey respondents)

“Opting out” of data being shared with third parties (when provided) is the most common measure “always” taken by consumers to protect their information – with 30% reporting they always do this.

The next most common measures “always” taken by consumers were to “deny apps permission to access information after install” and “adjust privacy settings on social networking sites” (both 21% “Always”).

Compared to the 2018 survey results, there was a significant increase in the number of Australians who “Never” clear their browsing history (5% in 2018, 8% in 2020); and significantly fewer Australians who “Always” check app ‘permissions’ before downloading (21% in 2018, 17% in 2020).



Only 33% of consumers agree it's enough to be notified about data handling practices via Privacy Policies and T&Cs

A majority strongly agree or agree that companies should:

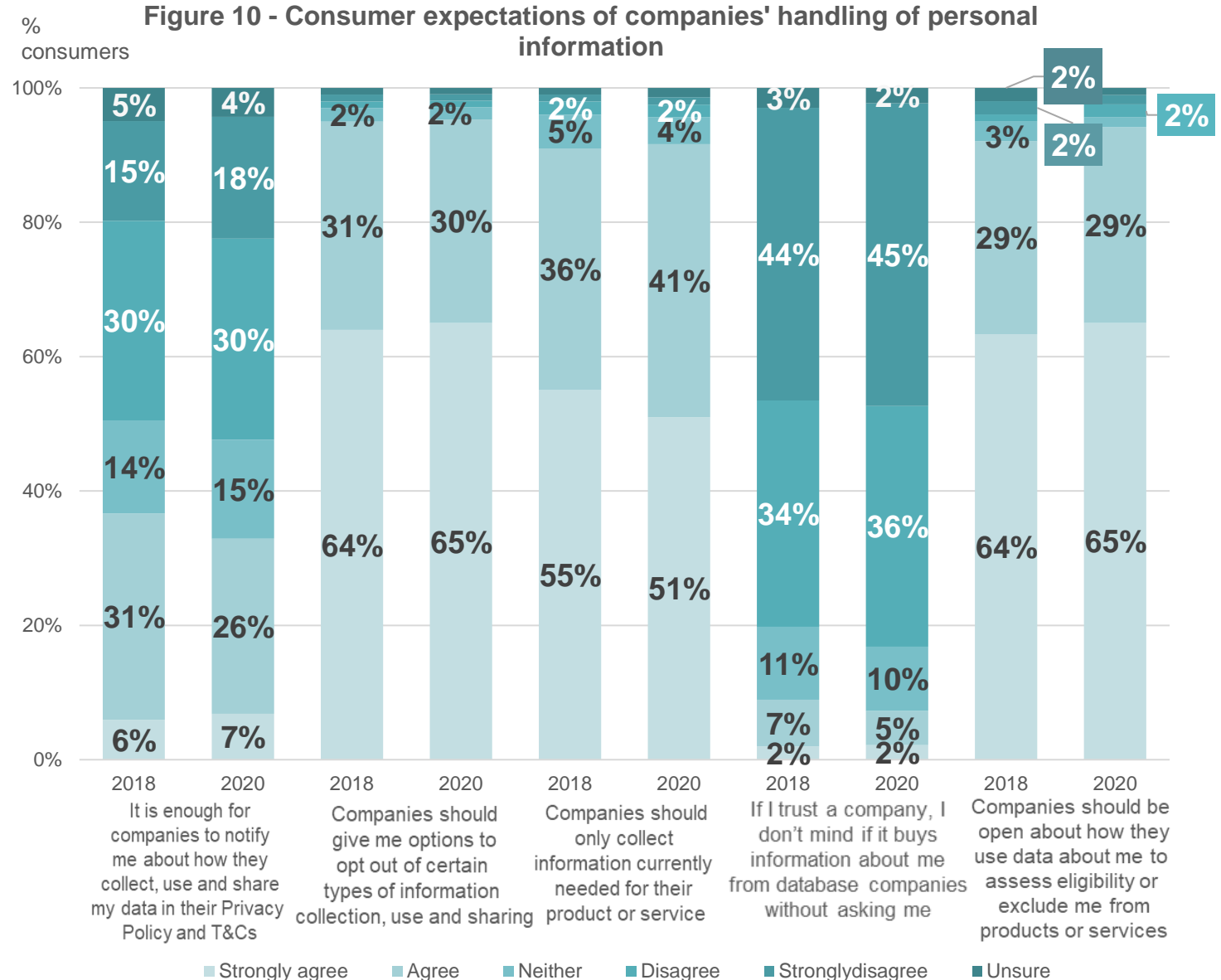
- Give options to opt out of certain types of information they can collect, use and share (95%)
- Be open about how personal data is used to assess eligibility or exclude them from products/services (94%)
- Only collect information needed for providing their products or services (92%).

"I just think they have control of way too much... the person/consumer can't do a thing about it."

92% consumers agree companies should only collect information they need for providing their product/service

"They need to be more transparent about how this kind of information is being used."

94% consumers agree companies should be open how they use data about them (e.g. assessing eligibility or excluding consumers)



Q: How strongly do you agree or disagree with the following regarding how companies should handle your data?

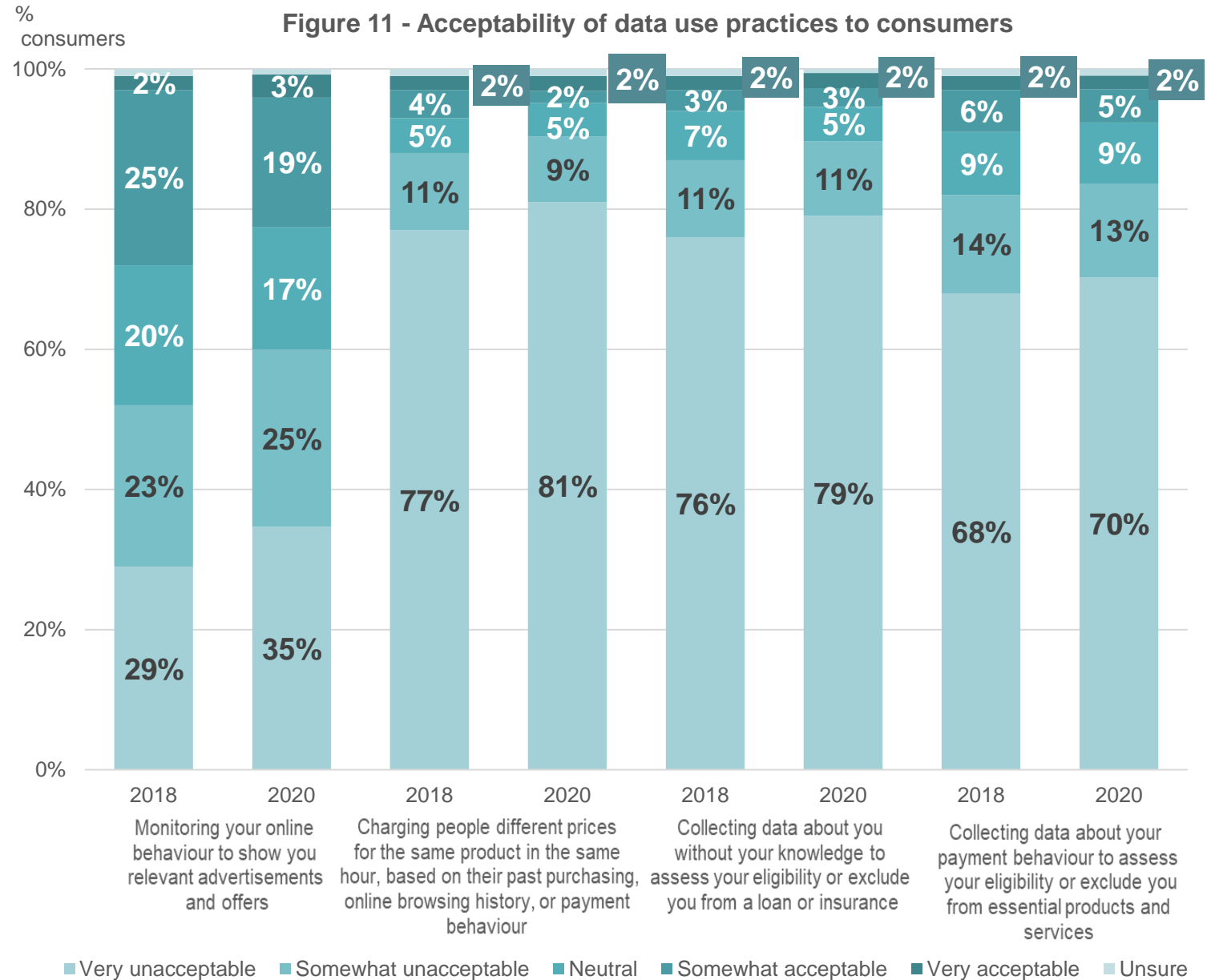
Note - data labels ≤ 1% are not shown

Opposition to ad targeting, personalised price discrimination and exclusion from products and services has increased since 2018

60% of Australians consider it very or somewhat unacceptable for their online behaviour to be monitored for targeted ads and offers – up from 52% in 2018.

90% of Australians rated the following practices as very or somewhat unacceptable:

- Charging people different prices based on past purchase, online browsing, and payment behaviours
- Collecting consumer data without their knowledge to assess their eligibility or exclude them from loans or insurance



Q: How acceptable or unacceptable do you find it for companies to use your data in the following ways?

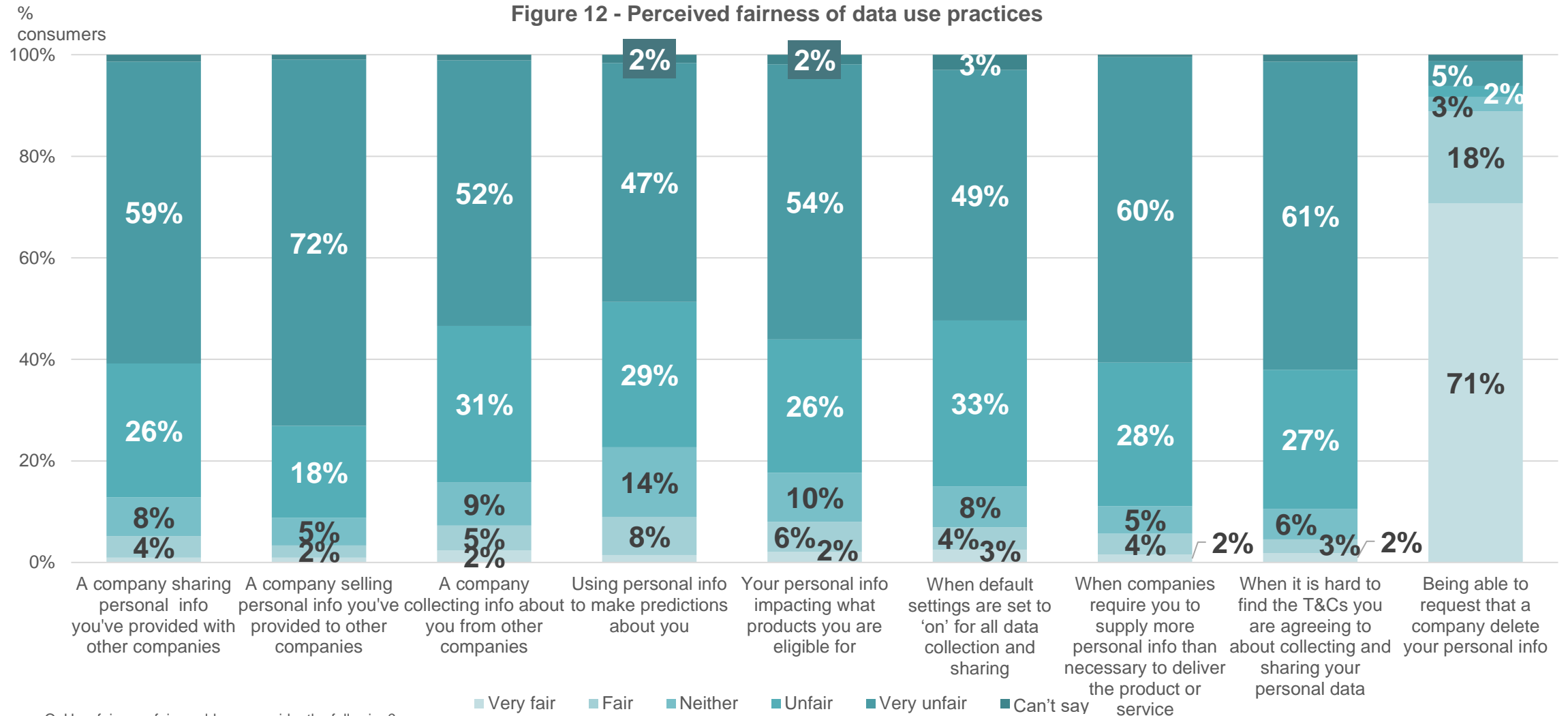
Please note – some data labels ≤ 1% are not shown

Part Three



Consumer expectations of digital marketplaces

A large majority of Australians consider that the ways in which companies can collect, use and share their personal information is unfair



Note – data labels ≤ 1% are not shown

Many data practices “cross a line” for consumers and are considered unacceptable

As shown in Figure 12 (p.25) a large majority of consumers consider many data handling practices to be either very unfair or unfair. These include companies:

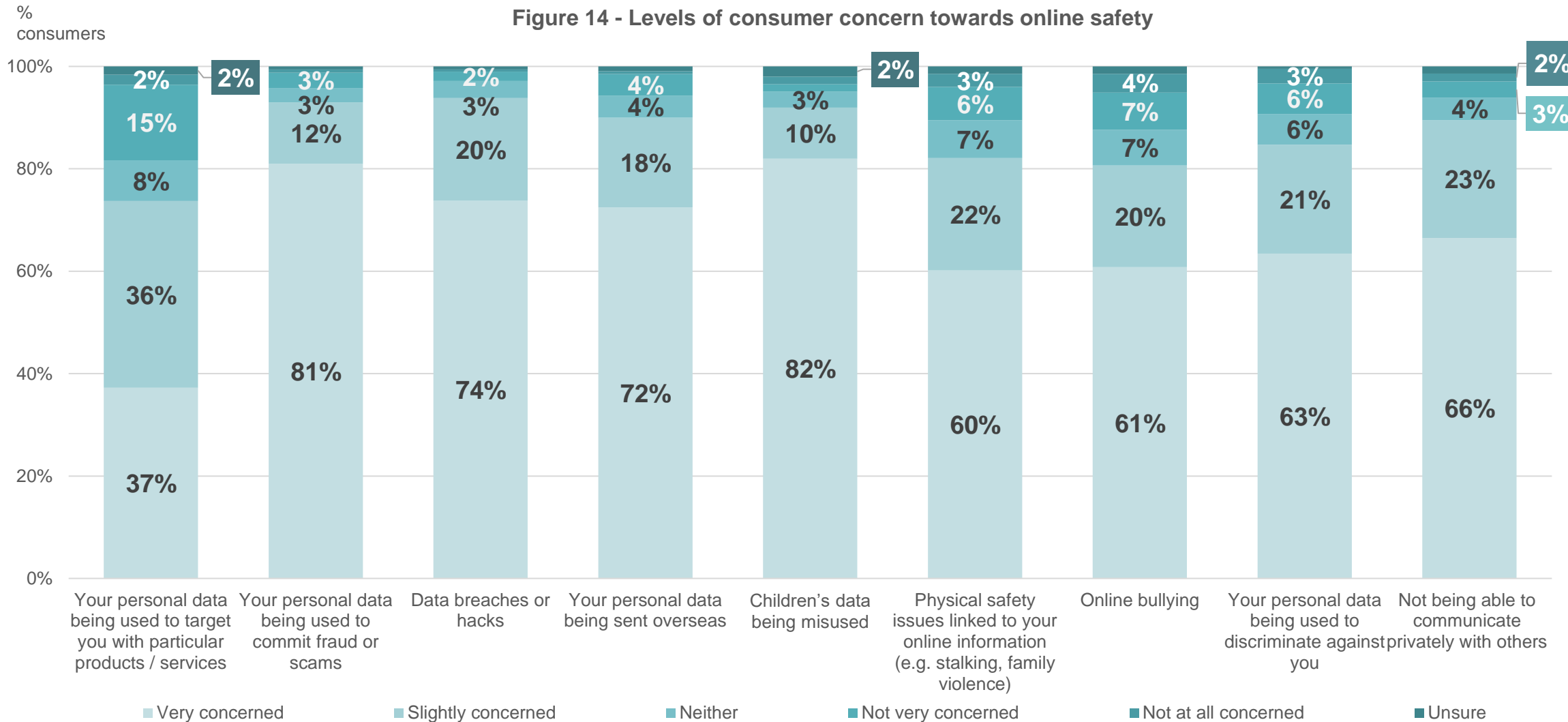
- selling (90%) or sharing (85%) personal information they’ve provided to other companies
- requiring more personal information than is necessary to deliver a product or service (88%)
- collecting information about consumers from other companies (83%)
- using a consumer’s personal information to make predictions about them (76%)

Figure 13 – Consumers’ “line in the sand” regarding data handling practices



Q: In your opinion, where is the line between acceptable and unacceptable behaviour of companies regarding personal data collection and sharing? Where do you draw your personal 'line in the sand'?

Australians are greatly concerned with online safety in general – with a majority holding concerns regarding all the issues raised in the survey



Q: Thinking now about online safety, how do you feel about the following?

Note – data labels ≤ 1% are not shown

Consumer concerns about online safety are highest regarding the safety of children, fraud and scams, data breaches and hacks; and personal data being sent overseas

Figure 14 (p. 27) shows how 9 out of 10 consumers were either very or slightly concerned about online safety regarding:

- Data breaches or hacks (94% of consumers)
- Personal data being used for fraud or scams (93%)
- Children's data being misused (92%)
- Personal data being sent overseas (90%)

Figure 15 – Consumer concerns regarding online safety



92% consumers very or slightly concerned about children's data being misused

“The risk to children is that they might give up too much information. They might have contact with unsafe people without the parents' knowledge”



89% consumers very or slightly concerned about not being able to communicate privately with others

“Why would you put a listening device in your own home? They say it's only active when you activate it, but the microphone is activated because the machine is listening. It activates at attention.”



82% consumers very or slightly concerned about physical safety issues linked to online information

“There's probably some gender differences there, like if I were a female who had an ex-partner who was stalking, I would definitely feel unsafe (with location tracking). Like if someone were to track me because they were mad at me or something.”

Q: There is a growing presence of children online (on social media, online purchases, using search engines). What risks, if any do you believe this presents to your safety and that of the children? (If risks mentioned) How did you learn about them?

Q: How about smart technologies / devices, such as Siri, Google Home, location apps, GPS devices, health trackers. What risks do you believe they present to your safety?

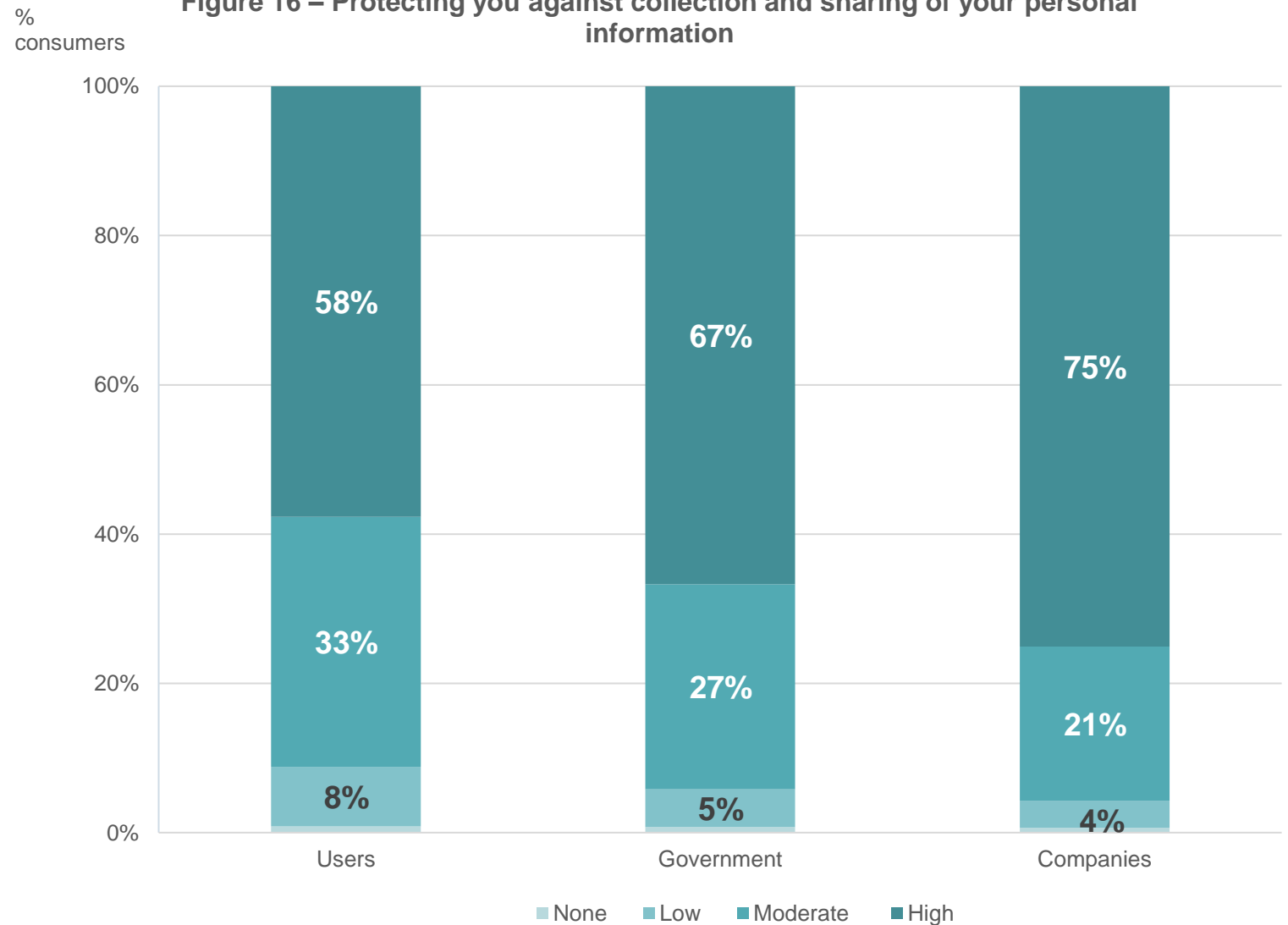
75% of consumers consider companies have the highest level of responsibility to provide protection against collection and sharing of personal information

67% of consumers also feel government has a high level of responsibility to protect consumers against collection and sharing of their personal information.

“I’d like to think the government (regulates it). Because with private competition, you just have so many different platforms, you can’t just make rules for each platform, it has to be on a broader level.”

67% consumers think government has a high level of responsibility in protecting consumers

Figure 16 – Protecting you against collection and sharing of your personal information



Q: What level of responsibility do you think each of the following (Users/Government/Companies) should have in relation to:

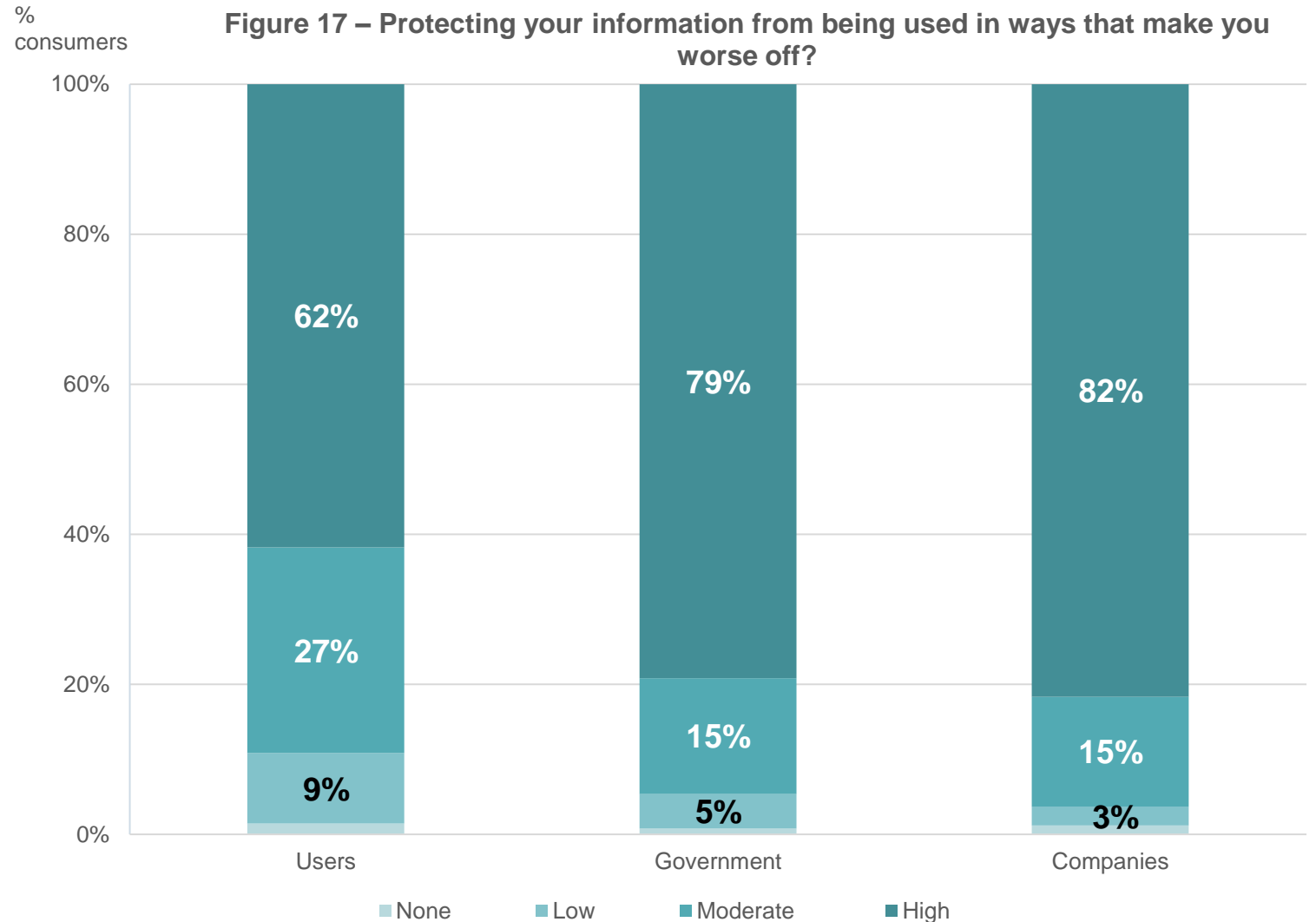
Note – data labels ≤ 1% are not shown

Consumers feel that both government (79%) and companies (82%) have high levels of responsibility to protect against personal information being used in ways that leave consumers worse off

Less consumers (62%), but still a majority, felt they had a high level of responsibility to protect themselves from being left worse off.

“Sometimes (targeted advertising) it can be unfair. I guess, (it) depends what you’re clicking into. Especially with things like Cash Converters and Wallet Wizard and those sorts of things directed towards low socioeconomic households, stuff like that. That’s dangerous, if you don’t know what to press.”

79% consumers think government have a high level of responsibility to ensure personal information is not used to make consumers worse off



Q: What level of responsibility do you think each of the following (Users/Government/Companies) should have in relation to:

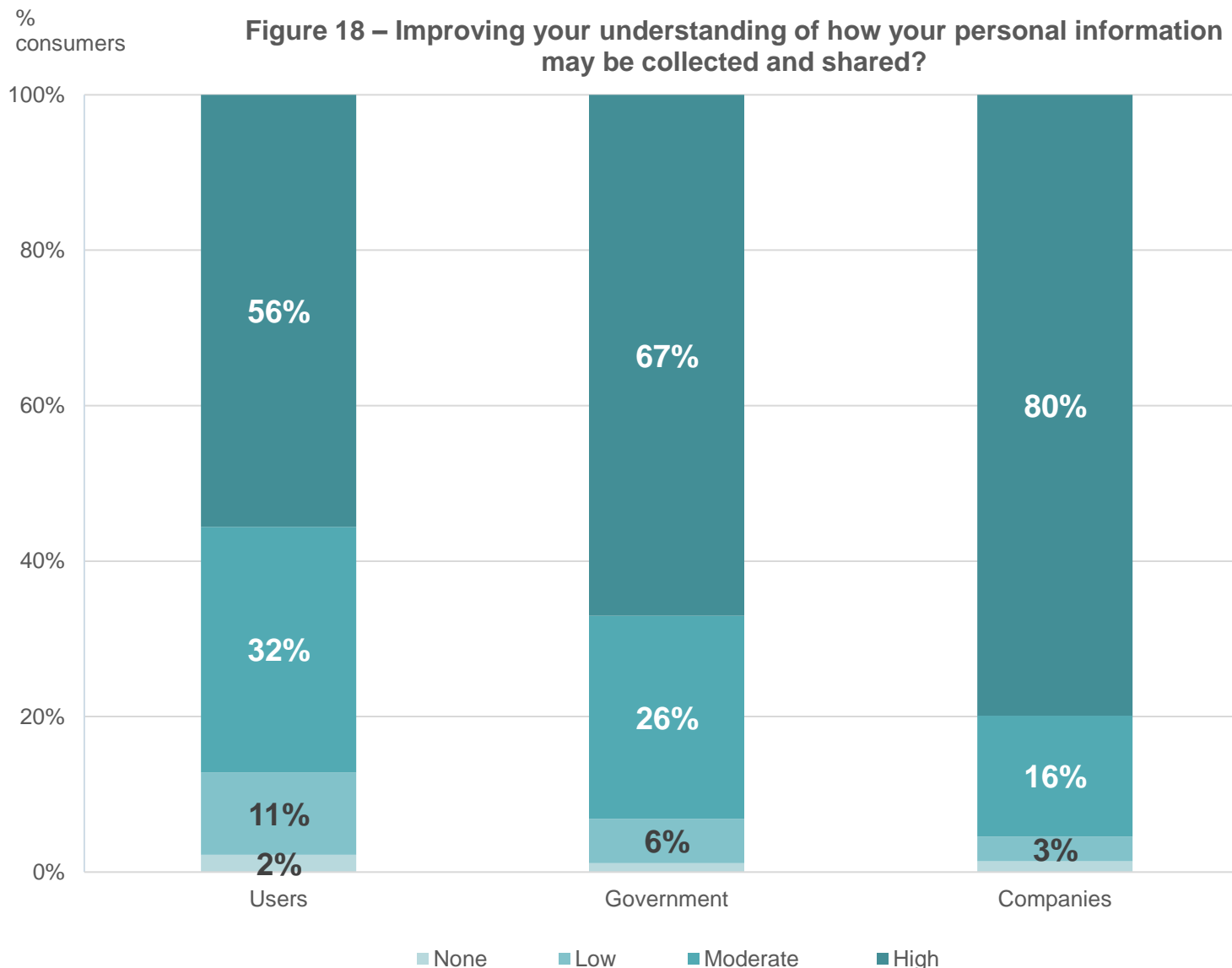
Note – data labels ≤ 1% are not shown

80% of consumers feel companies have a high level of responsibility to improve consumer understanding of personal information collection and sharing practices.

A large majority of consumers also felt government (67%) had high responsibility to improve consumer understanding of these practices.

“If you’re searching a company and going on to their website, and to get information, you have to put in your details, it’s your choice then you want to do it or not.”

56% consumers think they have a high level of responsibility to improve their understanding of how their information is collected and shared



Q: What level of responsibility do you think each of the following (Users/Government/Companies) should have in relation to:

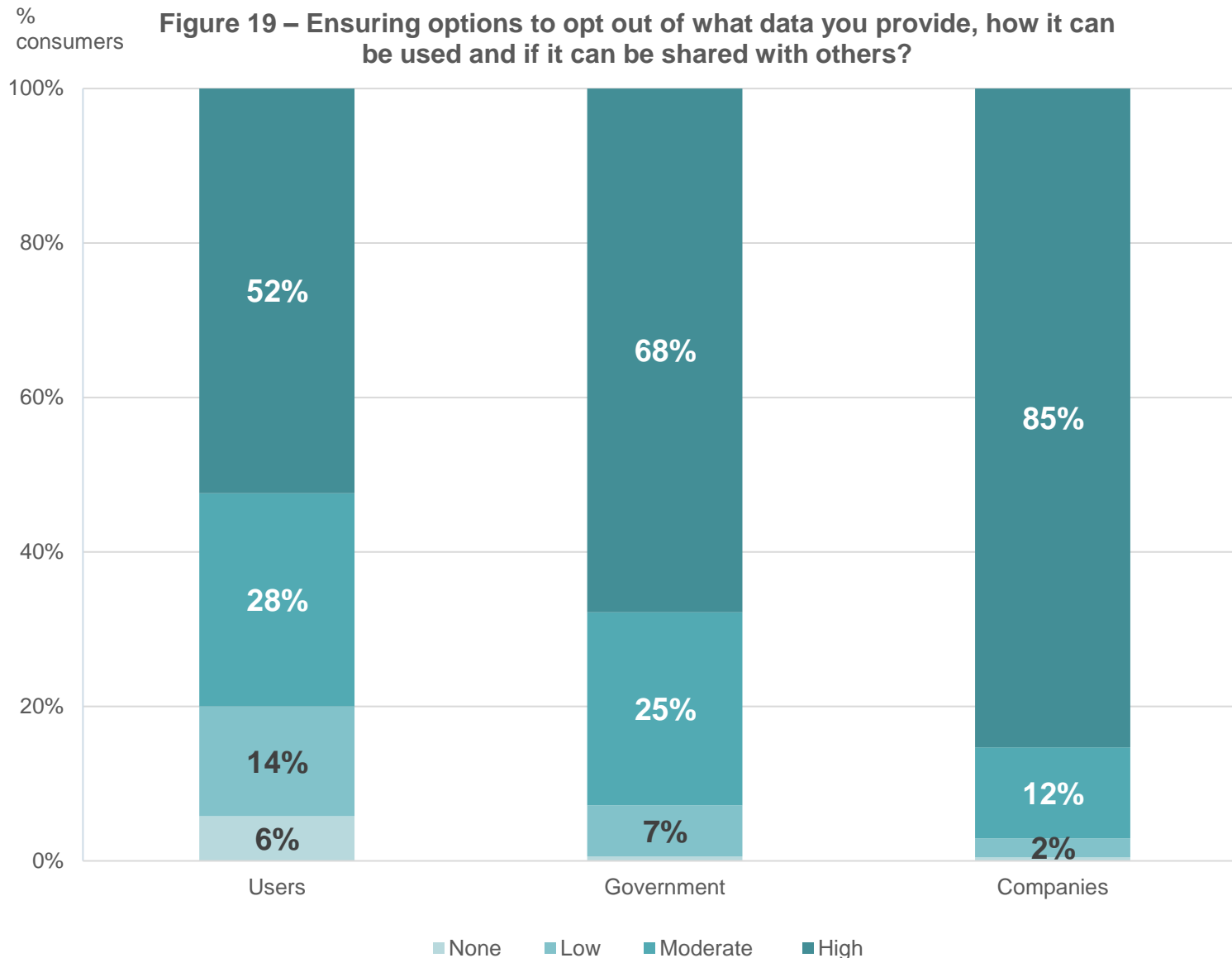
Note – data labels ≤ 1% are not shown

85% of consumers feel companies have the highest level of responsibility in ensuring they have options to “opt out” of different data collection, use and sharing practices

These results aligned with consumer sentiment regarding whether companies should give options to opt out of certain types of information they can collect, use and share (95% agreed with this – see Figure 10, p. 22).

“It’s just they literally make you jump through hoop after hoop to get it done. Just make it simple to opt out. Make it clear, make it obvious, make it easy.”

85% consumers think companies have a high level of responsibility to ensure there are options to opt-out



Q: What level of responsibility do you think each of the following (Users/Government/Companies) should have in relation to:

Note – data labels ≤ 1% are not shown

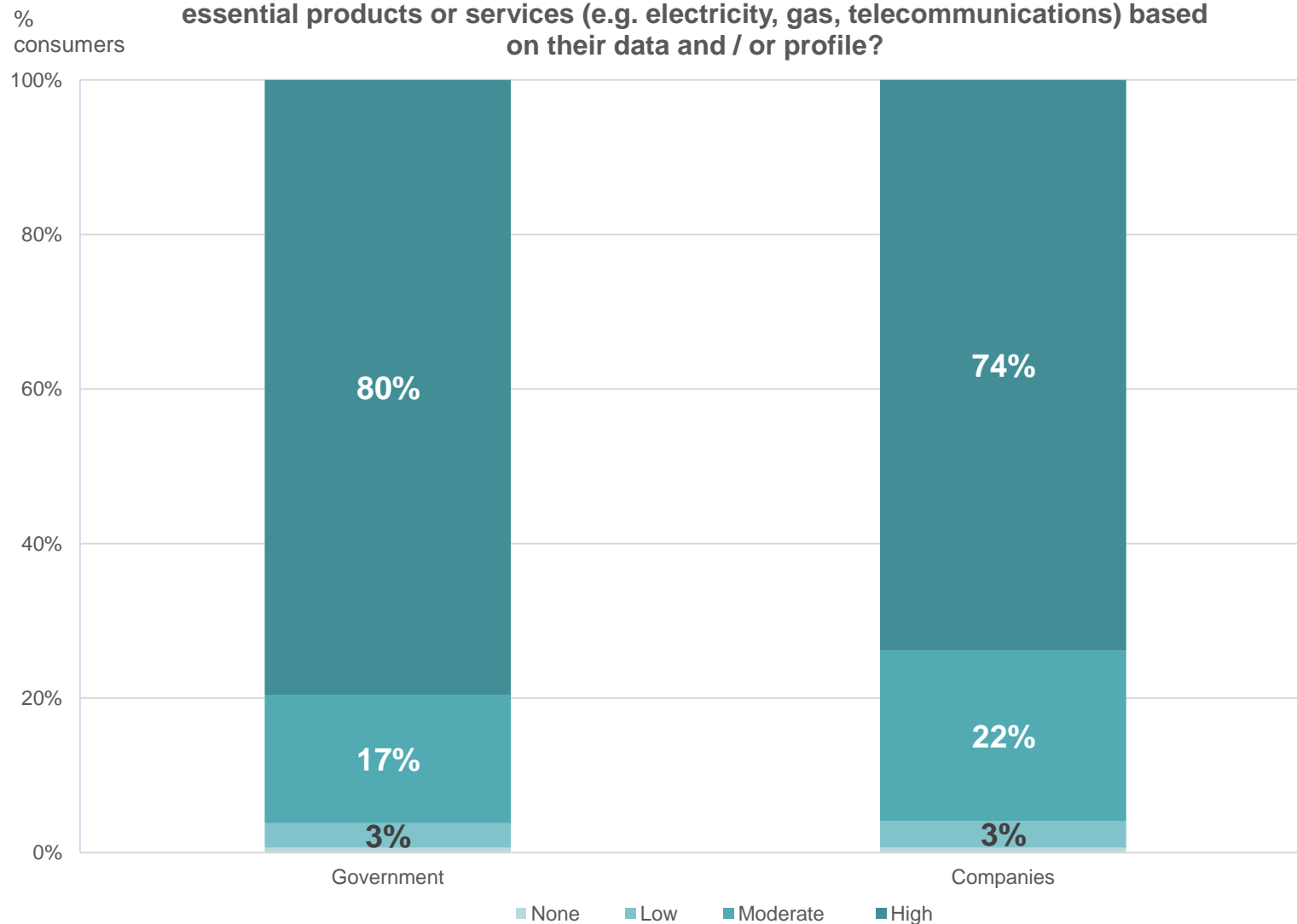
Consumers are looking to government to develop protections to prevent profiling that leads to exclusionary outcomes – with 80% feeling government has a high level responsibility in this space

Consumers by no means feel companies have no role in preventing exclusion, with 74% feeling they also have a high level of responsibility in relation to this issue.

“I suspect there are (rules in place), but I don’t really know... The industry may have done some sort of Code of Behaviour, I guess. But when industries can’t even pay people the proper award rate; well, I don’t have much faith in them self-regulating with this sort of stuff...”

80% consumers think government has a high level of responsibility to develop protections that prevent exclusionary outcomes

Figure 20 – Developing protections to ensure no one is excluded from essential products or services (e.g. electricity, gas, telecommunications) based on their data and / or profile?



Q: What level of responsibility do you think each of the following (Government/Companies) should have in relation to:

Note – data labels ≤ 1% are not shown

Part Four



Consumer policy insights

COVID-19 has accelerated growth of consumer participation in online environments and digital marketplaces

The COVID-19 pandemic, and associated public health restrictions, has meant that many consumers are spending more time online for work, education, shopping, socialising and entertainment (see p. 15).

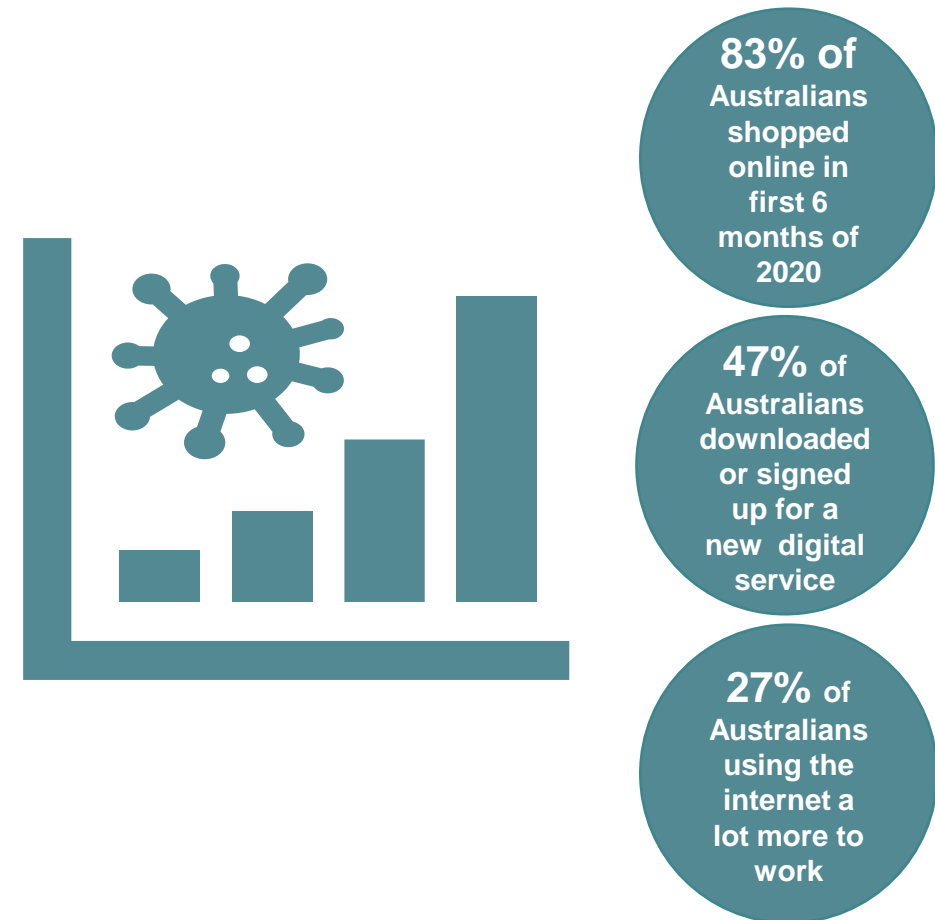
Digital marketplaces and innovations are providing clear benefits to consumers and the economy during COVID-19. However, the risks consumers face online and in digital marketplaces are heightened by increased usage of digital products and services, and subsequent increased volume of their personal data being collected by companies.

As outlined in CPRC's [*Consumers and COVID-19: from crisis to recovery*](#) research report – the pandemic has also created circumstances in which consumers are more exposed to exploitative practices online (in particular – scams, false claims, unsafe products and price gouging).



COVID-19 has increased the urgent need for reforms to Australia's consumer protections framework, so consumers aren't relying on analogue safeguards in an increasingly digital world.

Figure 21 – Changes in consumer behaviour due to COVID-19



At a time when reliance on them is growing, digital marketplaces have some serious shortcomings

Consumer engagement with Privacy Policies and T&Cs (that dictate how consumers' data is collected, shared and used when participating in digital marketplaces) has not improved in the past two years (see p. 18). At the same time, consumer discomfort and opposition regarding the data practices that Privacy Policies and T&Cs can permit has grown (see Figure 22).

These survey results back up the findings of the [Australian Competition and Consumer Commission's Digital Platforms Inquiry](#) (pp. 449 - 455) .

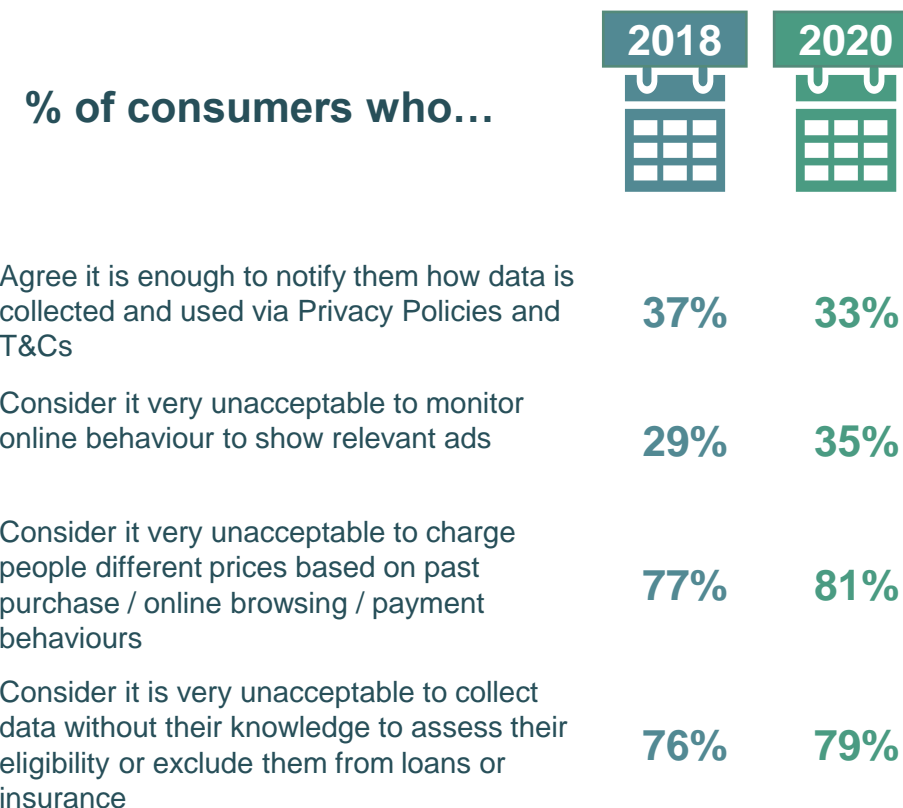
This inquiry found that company data practices are often characterised by:

- **Information asymmetries** that undermine a consumer's ability to assess whether services align with their privacy preferences
- **Bargaining power imbalances** that prevent consumers making genuine choices on how their personal information is collected, used and shared
- **Behavioural biases** that work against consumers' ability to select privacy options that better align with their privacy concerns



Australia's consumer protections need to be modernised so that consumers are protected against practices that unfairly exploit information asymmetries, bargaining power imbalances and behavioural biases.

Figure 22 – Changes in consumer attitudes regarding data handling practices



There's a chasm between how consumers expect to be treated in – and the practices that characterise – digital marketplaces

There is a disconnect between consumer expectations about being treated fairly, and many of the data handling practices that are common in digital marketplaces (see p. 25 and Figure 23).

Maintaining the regulatory status quo will not only cause this disconnect to widen, but it will also increase risks of direct consumer harms – whereby consumers are treated unfairly and/or have their privacy and safety compromised. These outcomes will erode trust and confidence in digital technologies and marketplaces.

Consumers feel that both companies and government have high levels of responsibility for ensuring they are protected in digital marketplaces. Reforms need to set clear standards of fairness, inclusion, safety and privacy– and incentivise companies to compete on this basis.



Reforms to consumer protections – such as unfair trading practice and contract term prohibitions, and a general safety provision, being added to Australian Consumer Law – as well updates to the Privacy Act, need to be progressed without delay.

Figure 23 - Common company data practices consumers considered to be unfair



Having their personal information being used to make predictions about them	76%
Companies collecting information about them from other companies	83%
Companies sharing personal information consumers have provided with other companies	85%
Companies selling personal information consumers have provided to other companies	90%
Requiring more personal information than necessary to deliver products/services	88%



For more information about this research please do get in touch.

office@cprc.org.au

Level 14, 10-16 Queen Street
MELBOURNE, VICTORIA 3000
T 03 9639 7600 W cprc.org.au