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# **2008 UK Study on Email Marketing Practices and Privacy**

**Published by Ponemon Institute LLC**

**June 23, 2008**

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## 2008 UK Study on Email Marketing Practices & Privacy

Prepared by Dr. Larry Ponemon, June 23, 2008

### I. Introduction

Do marketing practices, especially those involving email, put consumer data at risk? According to the study entitled, *2008 UK Study on Email Marketing Practices & Privacy*, which was conducted by Ponemon Institute and sponsored by StrongMail, UK data protection professionals and marketers both agree that email marketing and Internet channels pose a great risk to personal information. In fact, 65% of marketers and 66% of data protection professionals would consider in-sourcing their email marketing campaigns to ensure greater protection over personal data.

Sixty-one percent of marketers in our study report that their organisations have had a data breach and 38% say it has happened more than two times in the past year. In contrast, less than half (43%) of data protection professionals report that their organisations had a data breach and only 14% say that a data breach occurred more than two times.

Both marketers and data protection professionals believe it is important for consumers and customers to trust the privacy commitments of organisations. However, this study finds that marketers are not as concerned with having individuals trust the privacy commitments of their organisations and worry that complying with privacy regulations could hinder their ability to attract new customers.

Further, there is the tendency to outsource marketing campaigns to third parties. Sixty percent of marketers and 58% of data protection professionals indicate that their organisations outsource to reduce costs and improve efficiency. However, our study finds that half of the organisations that experienced a data breach pinpointed the loss of data to a third party, such as a vendor, business partner or contractor. Not only are potential breaches an issue, but organisations also need to safeguard consumer data to ensure that it is not used for other unintended purposes, such as unsolicited spam or phishing attempts.

Consider the data breach case involving a third-party email service provider for nonprofit organisations. The third-party provider experienced a data breach when a hacker accessed subscriber email addresses and passwords from 92 of its clients. While the number of individuals affected by the breach is unknown, it could possibly be in the hundreds of thousands. Even though financial data was not breached, the data could be used for other unintended purposes, such as unsolicited spam or phishing attempts. In addition, the nonprofits that outsourced their fund raising campaigns experienced a number of negative affects including damaged reputation, a loss of newsletter subscribers and the possibility of reduced donations.

We surveyed 403 data protection professionals and 499 marketers in the UK to learn what they think about how marketing practices can affect the protection of sensitive and confidential information. Ninety-nine percent of the data protection professionals and 92% of the marketers believe the privacy of their personal information is very important or important. Both groups have an average of nine years business experience. Our survey asked both groups to respond to the same questions about the following issues:

- How confident are they that their organisations' marketing programs and practices are compliant with data protection regulations?
- Have data breaches occurred in their organisations? If so, what was the impact?
- What personal data is being shared when companies outsource their marketing programs?

- Could a company gain a competitive advantage by implementing superior privacy practices? If so, what would the benefit be?
- Can companies better protect their data by keeping marketing programs in-house?

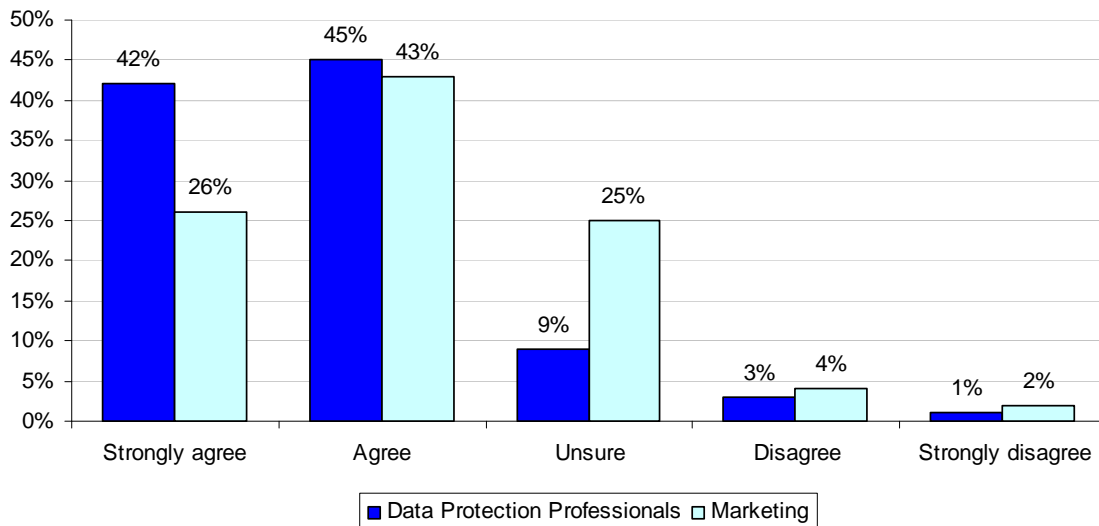
**II. Key findings**

Following are the most salient findings of this survey research. Please note that most of the results are displayed in bar chart format. The actual data utilized in each figure and referenced in the paper can be found in the percentage frequency tables attached as the Appendix to this paper.

**In general, marketers and data protection professionals are confident that their organisations are compliant with privacy laws and regulations. In addition, a majority of both groups believe that their organisations respect consumers’ privacy rights.**

As shown in Bar Chart 1, 87% of data protection professionals and 69% of marketers strongly agree or agree that their organisations are in compliance with privacy laws and regulations. However, 25% of marketers are unsure. There are similar results when respondents report if their organisations respect consumer privacy rights. Seventy-nine percent of data protection professionals and 63% of marketers strongly agree or agree, with 29% of marketers indicating that they are uncertain. Only 8% of marketers and 2% of data protection professionals disagree that their organisations respect consumers’ privacy rights.

Bar Chart 1  
Our organisation is compliant with privacy laws and regulations.

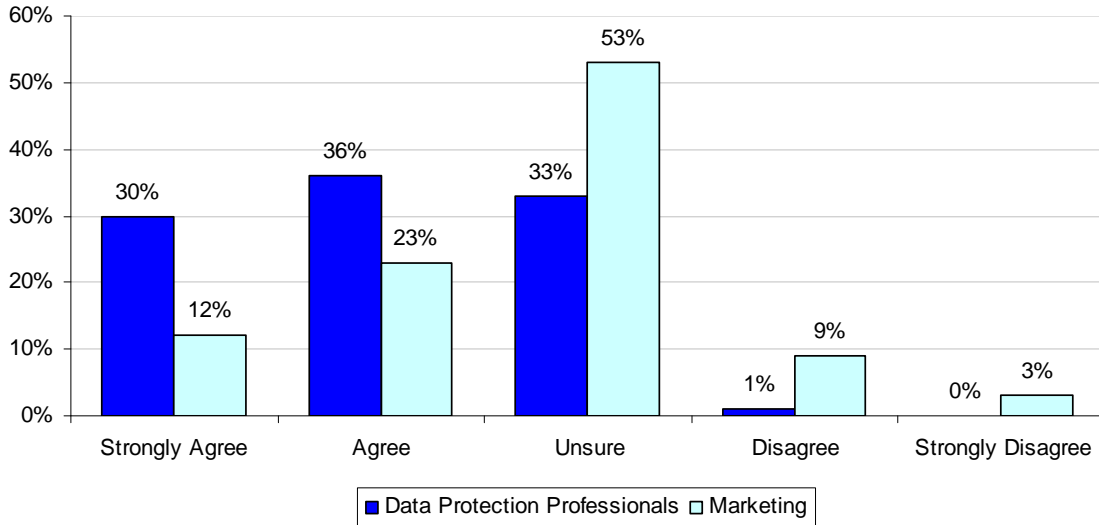


**Data protection professionals are more optimistic than marketers that their organisations’ marketing practices ensure protection of personal information and don’t violate privacy rights. However, more than one-third of respondents in both groups are unsure. In addition, more than half of respondents from both groups are unsure or disagree that their organisations’ marketing programs do not create risks of personal data loss or theft.**

While 54% of data protection professionals and 41% of marketers strongly agree or agree that their organisations’ marketing practices ensure protection of personal information, there is substantial uncertainty among both groups: 39% of marketers and 36% of data protection professionals are unsure.

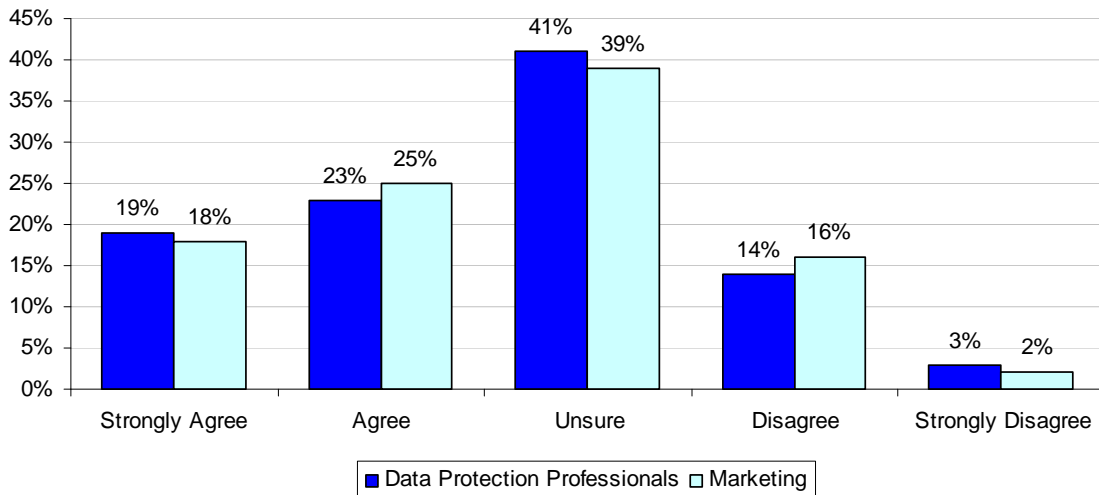
However, there is considerable discrepancy between how data protection professionals and marketers view the likelihood that their marketing programs violate individual privacy rights. Bar Chart 2 shows that 66% of data protection professionals strongly agree or agree that their marketing programs do not violate individual privacy rights while the majority of marketers (53%) are uncertain.

Bar Chart 2  
Our organisation's consumer marketing programs do not violate individual's privacy rights.



There is more agreement between marketers and data protection professionals concerning whether marketing programs create risks of personal data loss or theft (see Bar Chart 3).

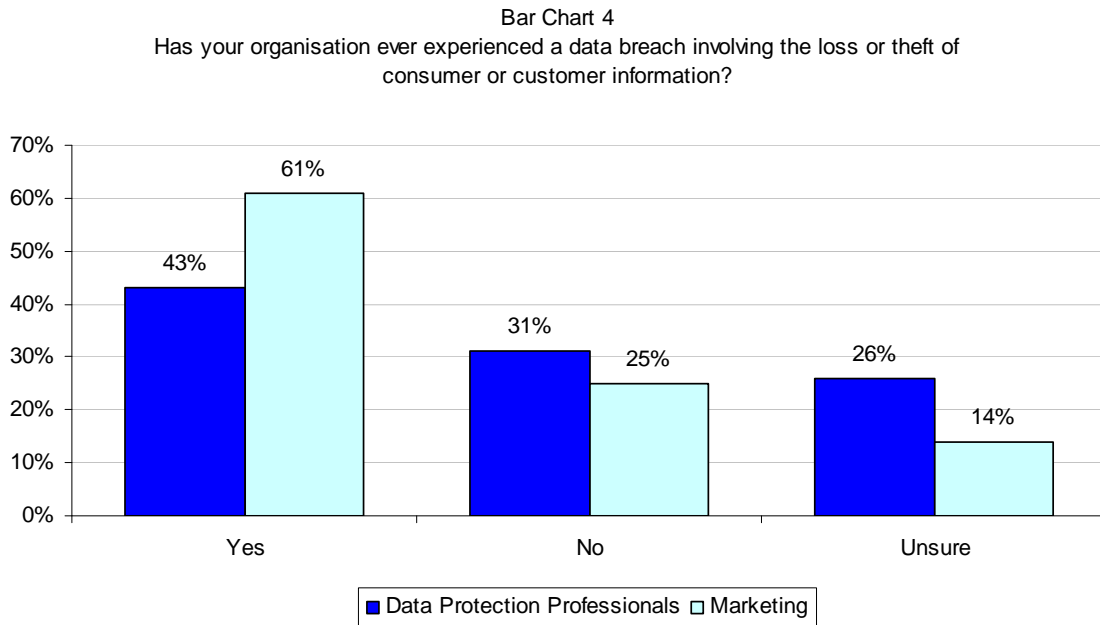
Bar Chart 3  
Our organisation's consumer marketing programs do not create risks of personal data loss or theft.



However, the results are not positive. Both groups are not confident that their marketing programs are protecting consumer data: 58% of data protection professionals and 57% of marketers disagree or are uncertain about the assertion that their organization’s consumer marketing programs do not create personal data loss theft.

**Marketers report that data breaches occur frequently but most do not require notification of the consumers.**

As illustrated in Bar Chart 4, 61% of marketers report that their organisations have had a data breach; 38% say it has happened more than two times in the past year. Fewer than half of data protection professionals (43%) report a data breach in their organisation, and only 14% say that a data breach has occurred more than two times.



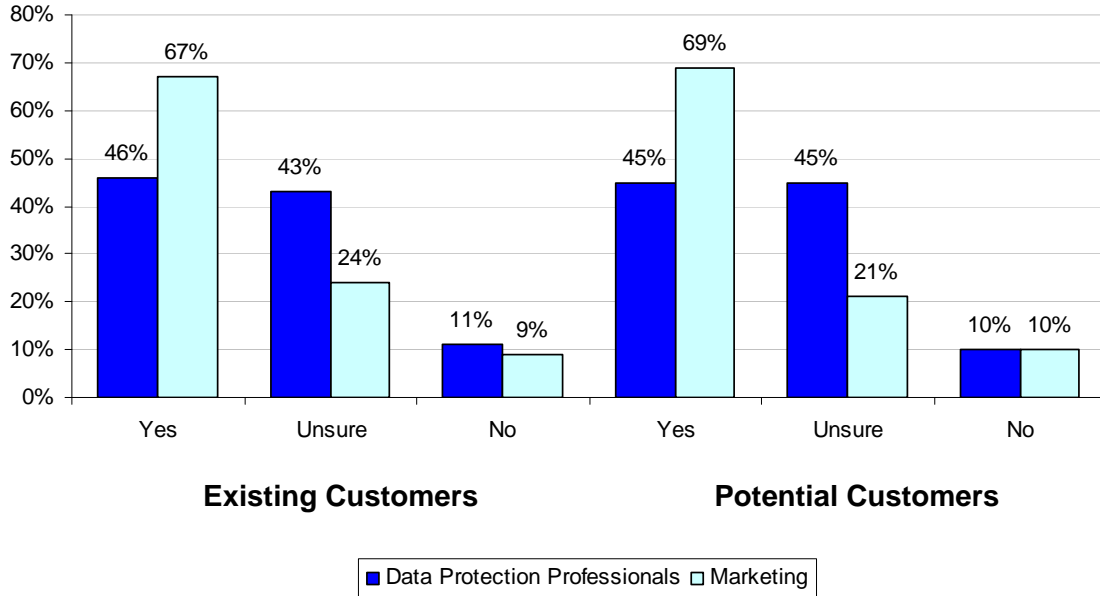
Data breach notification, in many cases, is not required by law, so it is not surprising that only 10% of marketers and 16% of data protection professionals report that the breach required the organisation to contact the victim.

**Data breaches occurred when consumers and customers’ personal information was outsourced to third-parties, report half the respondents in both groups. But marketers strongly believe that the data breach caused the loss of existing and potential customers.**

Fifty percent of data protection professionals and 51% of marketers believe the cause of the breach was related to the outsourcing of personal information to a vendor, business partner or contractor, with an additional 7% of data protection professionals and 13% of marketers unsure.

Both groups believe that data breaches affect the ability to acquire and retain customers (Bar Chart 5). Marketers strongly believe that data breaches affect customer retention and acquisition while data protection professionals largely agree or are uncertain. Only a small minority (11% or under for both groups) believe that the data breach did not result in the loss of existing or potential customers.

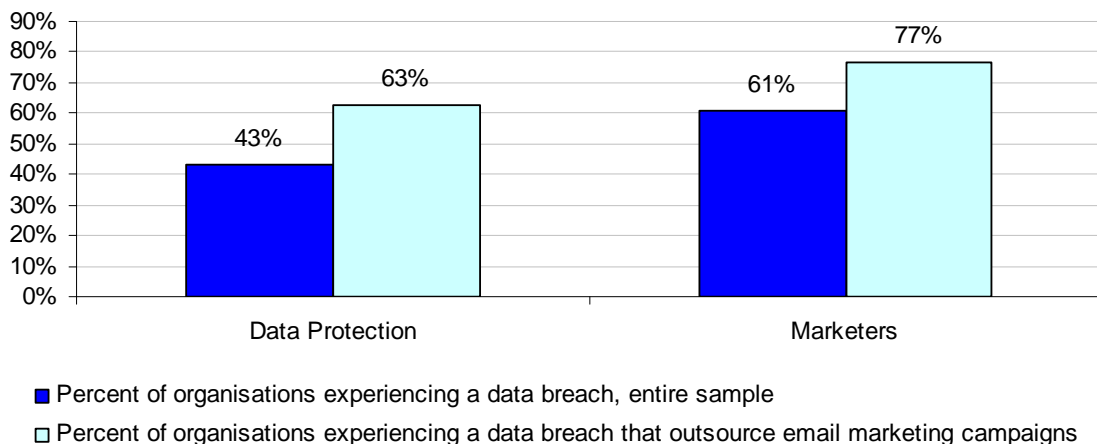
Bar Chart 5  
If your organisation experienced a breach, did the incident(s) result in the loss of existing or potential customers?



**Organisations that outsource email marketing campaigns appear to be more likely (higher percentage frequency) to experience a data breach.**

As reported previously, 43% of data protection professionals and 61% of marketers say that their organisations had a data breach. Further analysis reveals, as shown in Bar Chart 6, that 63% of data protection professionals who work in organisations that outsource email marketing campaigns had a data breach and 77% of marketers who work in organisations that outsource email marketing campaigns had a data breach.

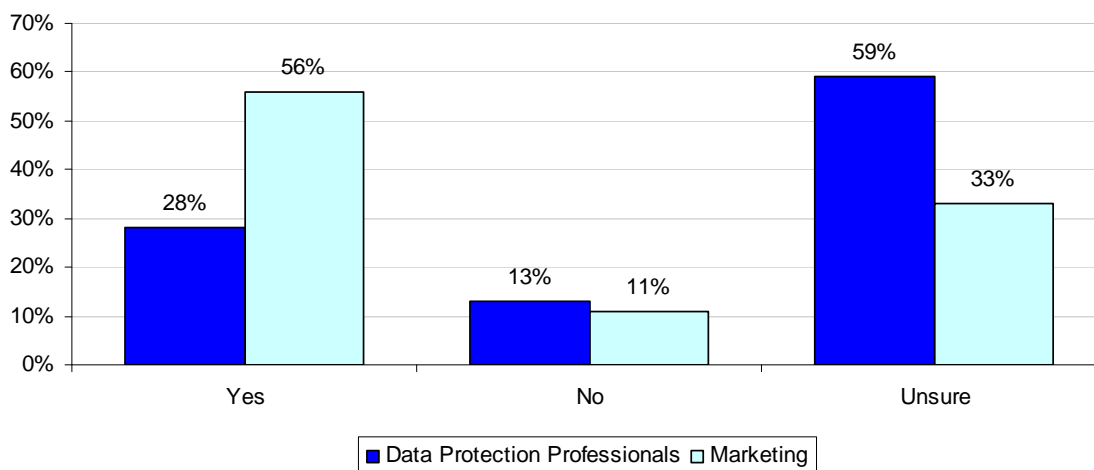
Bar Chart 6  
Did your organisation have a data breach and outsource email marketing campaigns?



**Marketers and data protection professionals also don't agree that data breaches diminish the effectiveness of marketing campaign objectives.**

As shown in Bar Chart 6, 56% of marketers believe data breaches diminish their marketing campaign objectives whereas a significant number of data protection professionals (59%) are uncertain.

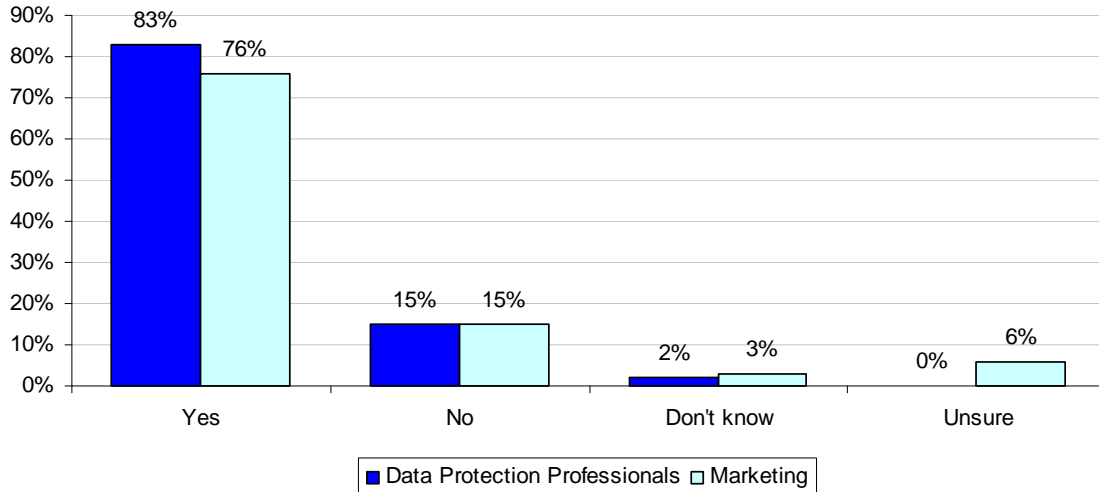
Bar Chart 7  
 If your organisation experienced a breach, did the incident(s) result in the diminishment of marketing campaign objectives (such as customer acquisition rates that were below expectations?)



**Both marketers and data protection professionals recognize that their organisations limit the sharing of personal information. This awareness is positive in deterring potential data breaches.**

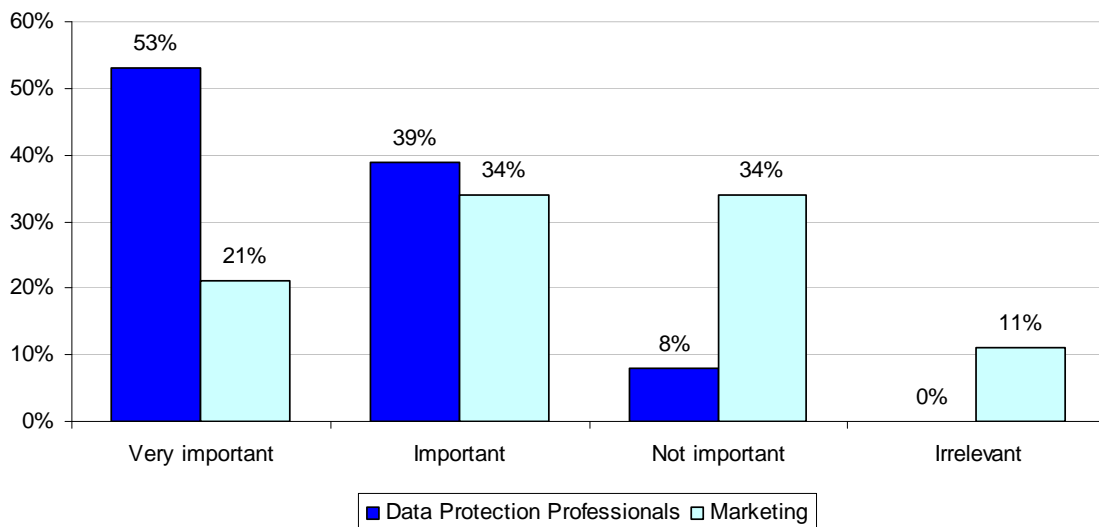
Eighty-three percent of data protection professionals and 76% of marketers understand that there are limits imposed by their organisations on the types of personal information that can be shared for marketing purposes (Bar Chart 8). Data protection professionals would share the following types of personal information: gender (73%), home address (66%), name (65%), cellular phone (53%), email address (52%), home telephone (46%) and marital status (46%). Marketers are most likely to share: gender (87%), name (86%), home address (85%), email address (81%), marital status (80%) and home telephone (73%). Only four percent of data protection professionals and three percent of marketers would share individuals' national ID. Both groups would not share job performance data, movie rental history and biometrics (voice, fingerprint).

Bar Chart 8  
Does your organization limit the types of personal information it will share with third-parties for purposes of marketing?



**Marketers don't share the same enthusiasm as data protection professionals about having customers trust their organisations' privacy commitments.**

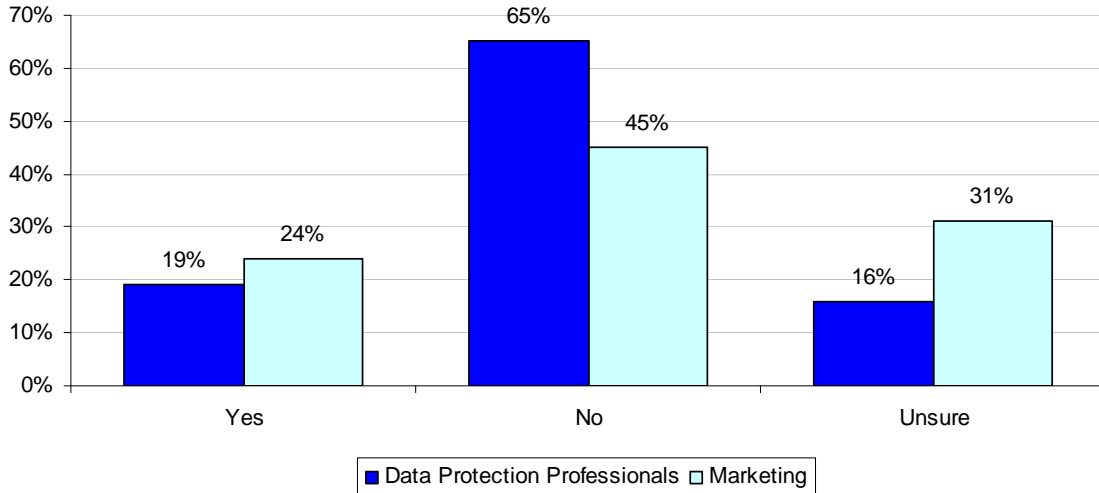
Bar Chart 9  
How important is it for customers to trust your organisation's privacy commitments?



As shown above in Bar Chart 9, 92% of data protection professionals but only 55% of marketers say it is very important or important that consumers trust an organisation to adhere to its privacy commitments. In fact, 45% of marketers say it is not important or irrelevant.

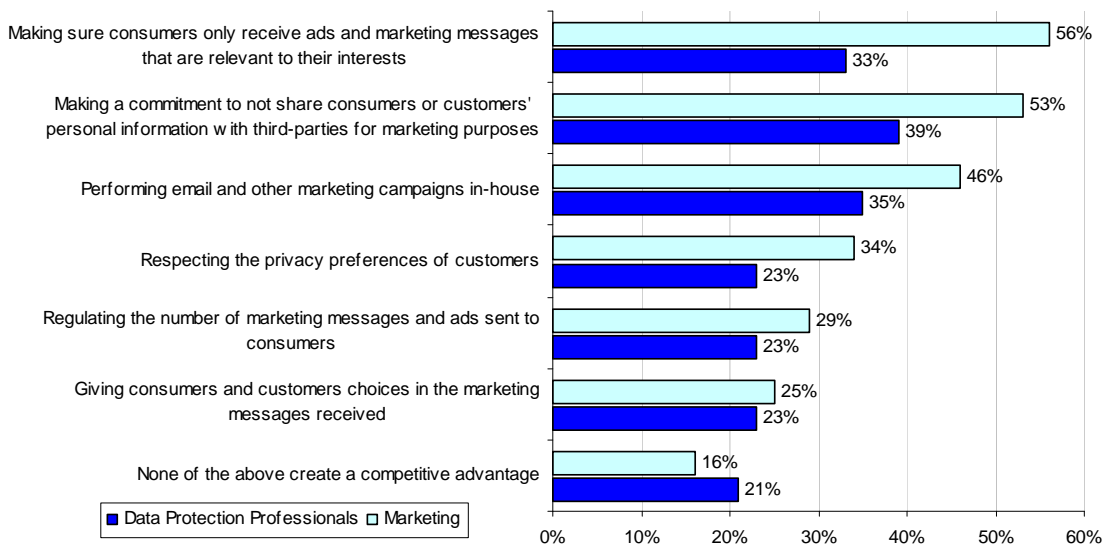
However, even though fewer marketers believe that it is important for their customers to trust their organisations' privacy commitments, marketers (24%) are more likely than data protection professionals (19%) to believe that superior privacy practices could be a competitive advantage (Bar Chart 10).

Bar Chart 10  
Do you believe that advancing superior privacy practices can be a competitive advantage for your organisation?



Bar Chart 11 reveals how and why respondents believe that superior privacy practices can be a competitive advantage.

Bar Chart 11  
If advancing superior privacy practices can be a competitive advantage, which of the following practices create a competitive advantage for your organisation?

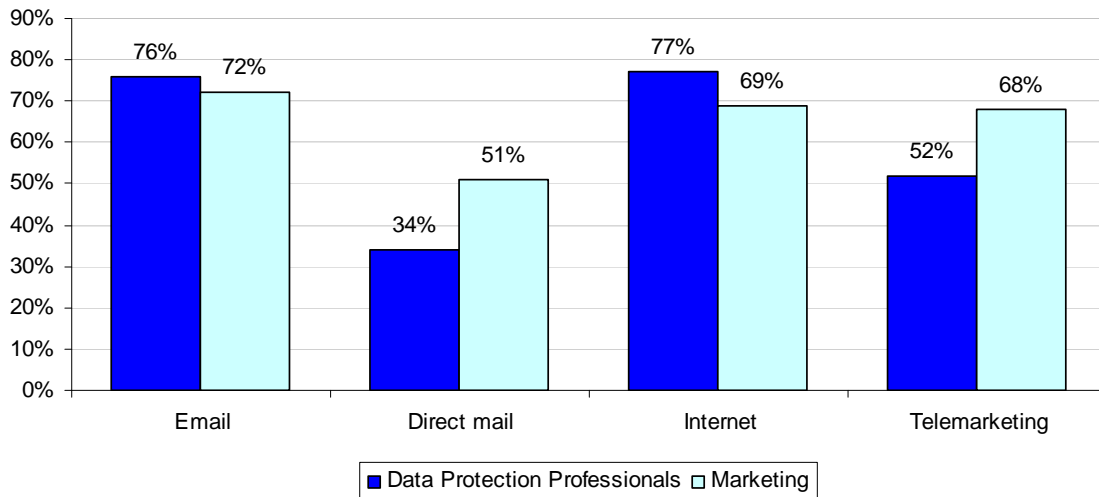


In general, both groups agree on what the competitive advantages would be, but marketing ranks receiving ads and marketing messages that are relevant to customers' interests as most important (56%), and data protection professionals say that making a commitment to not share consumers or customers' personal information with third-parties would make the most difference (39%). Twenty-one percent of data protection professionals believe none of these practices could create a competitive advantage.

**Email and Internet marketing channels present the greatest threat to consumers and customers' personal information, report both groups.**

Of the various marketing campaigns, both groups consider Internet marketing and email marketing to be the outbound marketing channels that present the greatest privacy risk (Bar chart 12). Direct mail is considered least risky.

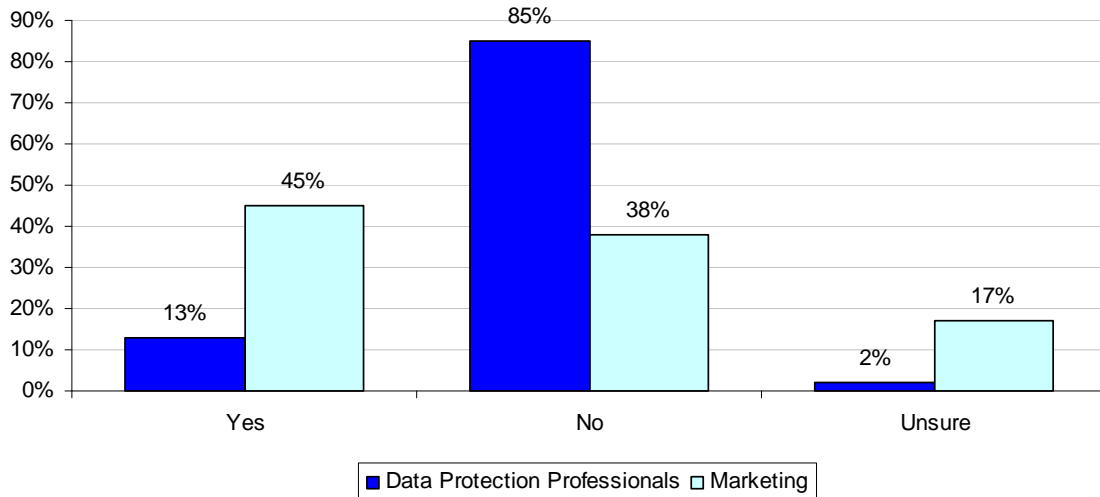
Bar Chart 12  
Which of the following outbound marketing channels present the greatest risks to privacy within your organisation today?



**Marketers are more likely to believe that privacy requirements make it more difficult to market to existing and potential customers. The main reason is the reduction in the number of customers they can contact because of opt-in and opt-out policies.**

Only 13% of data protection professionals and 45% of marketers say that privacy requirements hinder their organisations' marketing practices (Bar chart 13). Ninety-one percent of marketers blame the opt-in and opt-out requirements. Of the few data protection professionals who admit privacy requirements can be a burden, 84% agree with the marketers that opt-in and opt-out reduces the number of customers who can be contacted.

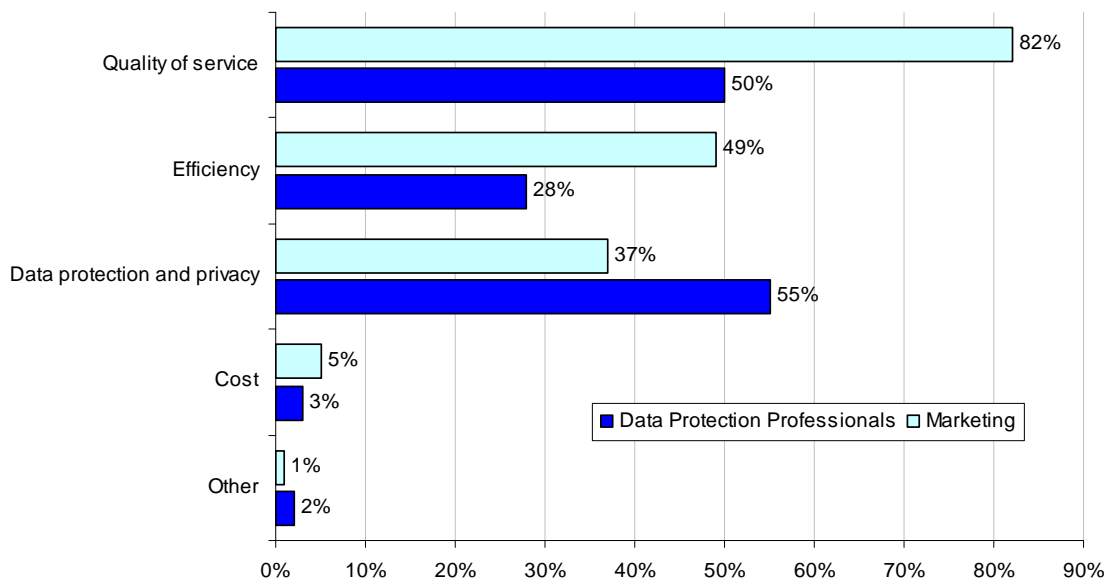
Bar Chart 13  
Do you believe your organisation's privacy requirements make it more difficult to market to present and potential future customers?



**A large number of organisations outsource marketing activities, and email and direct mail campaigns are the most popular. Both groups report the reason is to reduce cost followed by efficiency. Marketers believe the main reason they don't outsource is because of quality. Understandably, data protection professionals believe the reason not to outsource is that it puts data at risk.**

Fifty-eight percent of data protection professionals and 60% of marketers report that their organisations outsource marketing activities. The top two activities outsourced are email campaigns and direct mail campaigns.

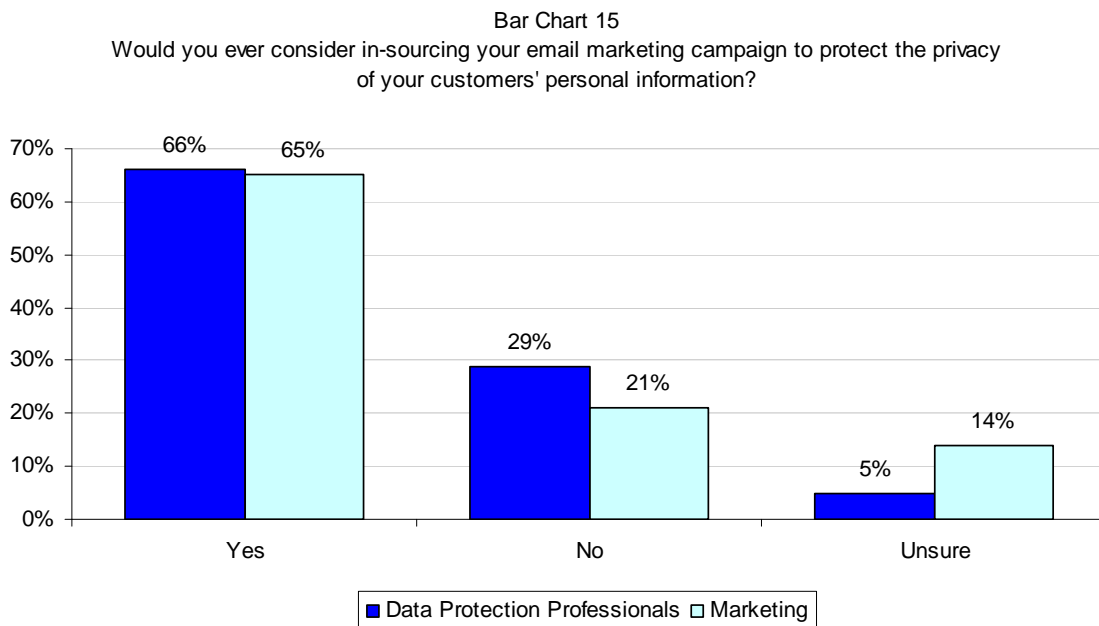
Bar Chart 14  
If your organisation does not outsource marketing activities/campaigns, what are the primary reasons?



Eighty-nine percent of marketers and 78% of data protection professionals cite reduction in cost as the main reason they outsource followed by efficiency (36% of data protection professionals and 42% of marketers). However, the groups disagree on why their organisations do not outsource, as seen in Bar Chart 14. Fifty-five percent of data protection professionals whose organisations don't outsource believe it is to protect personal information. In contrast, marketers who don't outsource say it is a quality issue. Only 37% of marketers believe they do not outsource because of data protection and privacy.

**Both groups agree that they would consider in-sourcing to reduce risks to personal information. This suggests there is an understanding that if the personal data was kept within the organisation it would be easier to safeguard.**

As shown in Bar Chart 15, in-sourcing email marketing campaigns would be beneficial to protecting customers' personal information, according to 66% of data protection professionals and 65% of marketers.



### III. Recommendations

Marketers and data protection professionals in the UK have similar perceptions about how email marketing practices affect consumers' privacy rights and risks to personal information, and both groups understand the importance of establishing a trusted relationship with existing and prospective customers.

While both groups limit the data they share with third parties for marketing purposes, consumers are willing to give up some personal information in order to receive emails with messages that they find relevant, according to previous research conducted by Ponemon Institute. However, data protection professionals are correct that consumers expect that organisations respect their privacy preferences. It is interesting that both groups believe that making a commitment to not share personal information with third parties for marketing purposes can be a competitive advantage.

We believe the following practices can both strengthen an organisation's privacy practices and the effectiveness of marketing campaigns.

- When outsourcing personal data, organisations should make sure the third parties are held to the same standards of data protection and control as they have in their own organisations. This can be accomplished through assessing the data security practices of the third party. Organisations should also determine if the third party is outsourcing to other vendors and if those vendors have the same quality of data protection controls.
- Organisations should identify how privacy can support the organisation's business and marketing models. For example, data protection professionals should demonstrate how the organisation's privacy and data security practices can influence consumers' decisions to choose their organisation over the competition. In addition, with more privacy laws expected to be passed, data protection professionals should assist marketers in collecting more information and understand compliance with regulations.
- On-premise technology that delivers targeted emails without requiring the transfer of data to a third party will not only enhance the success of an organisation's marketing campaigns but also will reduce the likelihood of a data breach involving sensitive data. Data protection professionals can advise marketers on how to ensure that personalization technologies meet consumers' needs and expectations.
- Data protection professionals should partner with marketers on quantifying the positive impact of privacy and trust to brand image. They should promote the goal of treating customer information as an asset and as a result should be protected from a data breach.

As reported, both marketers and data protection professionals believe that privacy is important to establishing trusted relationships with their customers and can even be a competitive advantage. Marketers, however, believe that the privacy commitments of their organisation can be a barrier to achieving their marketing goals, and continue to outsource even though both groups recognize that outsourcing can be a threat to data security. Based on the frequency of data breaches and the risk associated with outsourcing, it seems as if improved security over sensitive data should be considered for future email marketing campaigns.

Working together, marketers and data protection professionals can help reduce the risks to consumer data and create a more trusted relationship with consumers. As previous Ponemon Institute research has demonstrated, trust results in consumers being more receptive to marketing messages and, as a result, more interested in purchasing products and services.

#### **IV. Caveats**

There are inherent limitations to survey research that need to be carefully considered before drawing inferences from findings. The following items are specific limitations that are germane to most Web-based surveys.

- Non-response bias: The current findings are based on a sample of survey returns. We sent surveys to a representative sample of individuals, resulting in a large number of usable returned responses. Despite non-response tests, it is always possible that individuals who did not participate are substantially different in terms of underlying beliefs from those who completed the instrument.
- Sampling-frame bias: The accuracy is based on contact information and the degree to which the list is representative of American consumers. We also acknowledge bias caused by compensating subjects to complete this research within a holdout period. Finally, because we used a Web-based collection method, it is possible that non-Web responses by mailed survey or telephone call would result in a different pattern of findings.

- Self-reported results: The quality of survey research is based on the integrity of confidential responses received from subjects. While certain checks and balances can be incorporated into the survey process, there is always the possibility that a subject did not provide a truthful response.

## V. Sample

Table 1 reports the sample characteristics. We asked 21,381 adult-aged UK residents to participate in this web survey: 6,880 data protection and 14,501 marketers. In total, 1,109 respondents completed their survey results. Of returned instruments, 177 survey forms were rejected because of reliability checks. A total of 932 surveys were analyzed in our final sample: 423 from data protection professionals and 509 from marketers. This sample represents a 6.15% net response rate for data protection professionals and 3.51% net response rate for marketers.

<b>Table 1: Sample characteristics</b>	Data Protection Professionals Freq.	Data Protection Professionals Pct%	Marketing Freq.	Marketing Pct%
Sampling frame	6,880	100.00%	14,501	100.00%
Bounce back	673	9.78%	3,205	22.10%
Total responses	506	7.35%	603	4.16%
Reliability rejections	83	1.21%	94	0.65%
Net sample before reliability checks	423	6.15%	509	3.51%

Following are key demographics about the survey respondents. Table 2 reports the respondent's organisational level. The majority of respondents are directors, managers and associates.

<b>Table 2: Organisation level of current position</b>	Data Protection Professionals	Marketing
Senior Executive	1%	1%
Vice President	0%	0%
Director	23%	23%
Manager/supervisor	35%	32%
Associate/staff	35%	39%
Other	6%	5%

Table 3 provides the primary department the respondent or IT security leader reports to within the organisation. The data protection professionals who responded to this survey typically report to someone in the compliance (43%), privacy (25%) or information technology (19%) departments, whereas marketing professionals report primarily through the marketing department (86%), and a small group is within information technology (11%).

<b>Table 3: Primary person respondent or IT security leader reports to</b>	Data Protection Professionals	Marketing
Marketing	1%	86%
Privacy	25%	0%
Compliance	43%	0%
Research	0%	3%
Information technology	19%	11%
Security	3%	0%
Other	9%	0%

Table 4 describes the respondents' experience. On average, the data protection professionals have almost nine years of experience, with more than five years in the privacy field. The marketers have, on average, more than nine years of experience with more than five years in marketing.

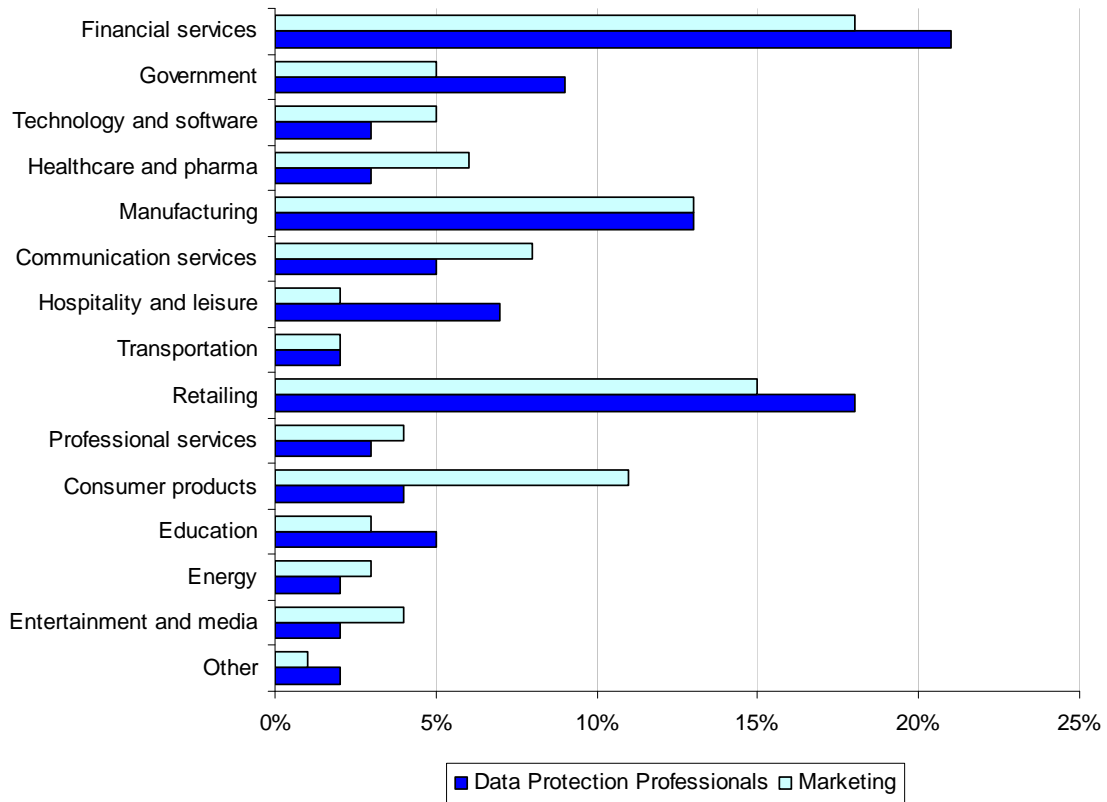
<b>Table 4: Experience levels</b>	Data Protection Professionals	Marketing
Total years of overall experience	8.50	9.10
Total years of marketing or privacy experience	5.12	5.80
Total years in current position	3.94	4.74

The next set of data provides further information about the employers. Table 5 reports on if the company is publicly traded. The majority of the respondents are from companies that are publicly traded on a major stock exchange.

<b>Table 5: Company exchange listing</b>	Data Protection Professionals	Marketing
Major stock exchange	65%	61%
Minor stock exchange	4%	6%
Not listed on stock exchange	31%	33%

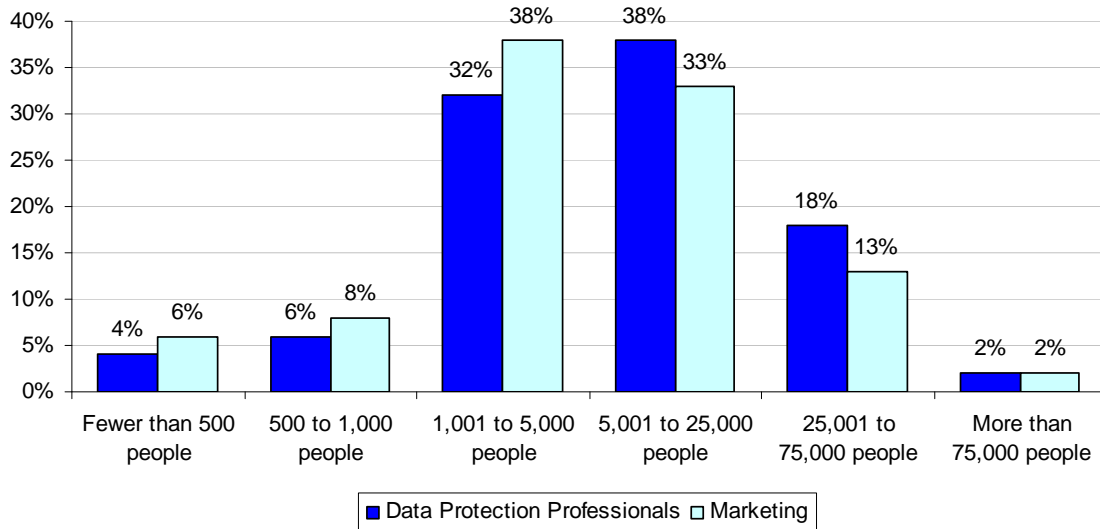
Bar Chart 16 shows the company's industry focus. Financial services, retailing and manufacturing are the industries that are most commonly represented in the survey from both groups.

Bar Chart 16  
 What industry best describes your organization's industry focus?



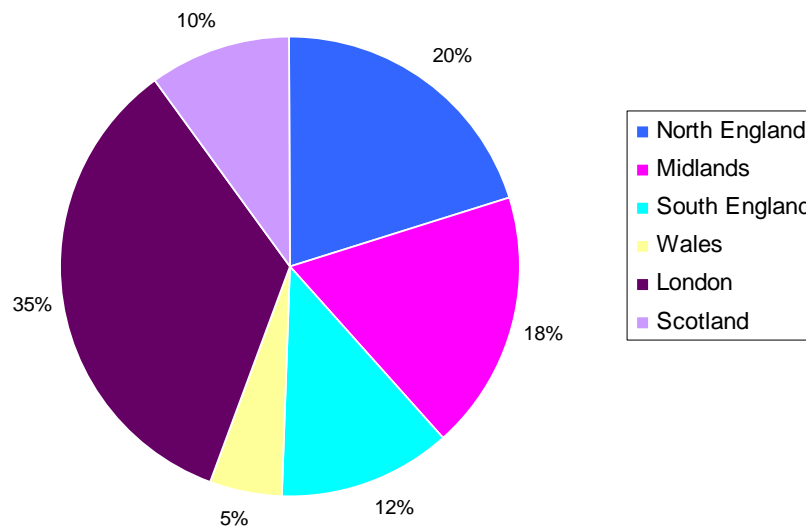
Bar Chart 17 displays the worldwide headcount of the respondent's companies. The respondents work for organisations of all sizes, with the largest group of respondents working for companies that employ 1,001 to 25,000 people.

Bar Chart 17  
What is the worldwide headcount of your organization?

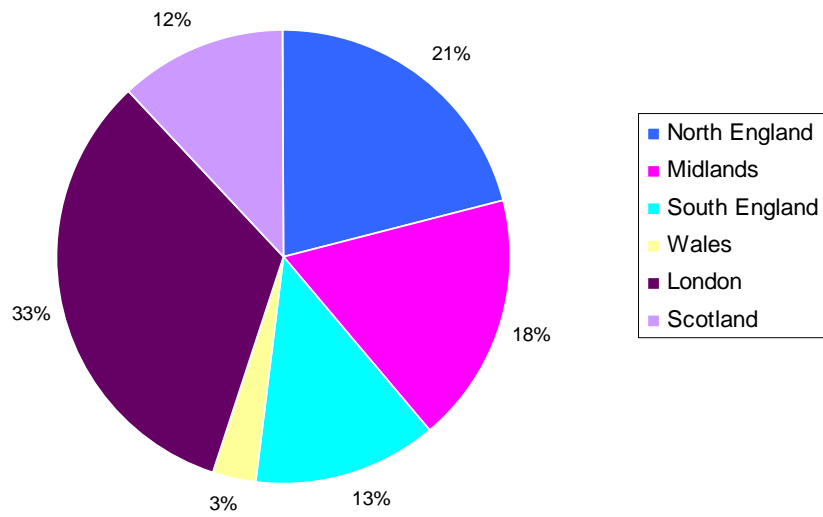


Pie Charts 1 and 2 report the distribution of respondents by region of the United Kingdom. As shown, they represent all major regions. The highest number of respondents is in London, and Wales represents the smallest number of respondents.

Pie Chart 1: Geographic regions  
Data Protection Professionals



**Pie Chart 2: Geographic regions  
Marketing Practitioners**



## Appendix: Percentage Frequency Survey Responses

Following are the audited results of a survey completed in May 2008 involving an United Kingdom sample of 423 data protection professionals (sample A) and 509 marketers (sample B). The following results are presented in a percentage frequency format.

The survey results are summarized in the following tables: The following table reports the overall sampling statistics for this study. Sample A = data protection professionals and Sample B = marketer panel. The response rate for Sample A = 6.15% and for Sample B = 3.51%.

Description	Sample A	Pct%A	Sample B	Pct%B
Sampling frame	6,880	100.00%	14,501	100.00%
Bounce back	673	9.78%	3,205	22.10%
Total responses	506	7.35%	603	4.16%
Reliability rejections	83	1.21%	94	0.65%
Net sample before reliability checks	423	6.15%	509	3.51%

The following table provides the screening question used to finalize sample. This was our final validity step before analyzing survey results. Sample A's total respondents = 403 individuals and Sample B's total respondents = 499 individuals.

<b>Screening question:</b> How are you involved in your organisation's marketing campaigns? Please check all that apply.	Sample A	Sample B
I advise on privacy compliance issues	402	20
I help execute marketing campaigns	4	499
I plan, execute and/or supervise marketing campaigns	0	495
I am responsible for the success of marketing campaigns	3	415
I am responsible for the success of our organisation's privacy initiatives	413	14
None of the above	10	117
Final sample	423	509
Useable sample	403	499

The following tables provide the percentage frequencies of survey results for two separate samples of privacy (Pct%A) and marketing (Pct%B) practitioners who are employed by business organisations located in the United Kingdom.

**Attributions:** Please rate your opinion for Q1 to Q5 using the scale provided below each statement.

Q1. Our organisation is compliant with privacy laws and regulations.	Pct%A	Pct%B	Gap
Strongly agree	42%	26%	-16%
Agree	45%	43%	-2%
Unsure	9%	25%	16%
Disagree	3%	4%	1%
Strongly disagree	1%	2%	1%
Total	100%	100%	0%

Q2. Our organisation respects consumers' privacy rights.	Pct%A	Pct%B	Gap
Strongly agree	40%	23%	-17%
Agree	39%	40%	1%
Unsure	19%	29%	10%
Disagree	1%	8%	7%
Strongly disagree	1%	0%	-1%
Total	100%	100%	0%

Q3. Our organisation's marketing practices ensure protection of personal information.	Pct%A	Pct%B	Gap
Strongly agree	12%	6%	-6%
Agree	42%	35%	-7%
Unsure	36%	39%	3%
Disagree	8%	11%	3%
Strongly disagree	2%	9%	7%
Total	100%	100%	0%

Q4. Our organisation's consumer marketing programs do not violate individual's privacy rights.	Pct%A	Pct%B	Gap
Strongly agree	30%	12%	-18%
Agree	36%	23%	-13%
Unsure	33%	53%	20%
Disagree	1%	9%	8%
Strongly disagree	0%	3%	3%
Total	100%	100%	0%

Q5. Our organisation's consumer marketing programs do not create risks of personal data loss or theft.	Pct%A	Pct%B	Gap
Strongly agree	19%	18%	-1%
Agree	23%	25%	2%
Unsure	41%	39%	-2%
Disagree	14%	16%	2%
Strongly disagree	3%	2%	-1%
Total	100%	100%	0%

## II. Issues

Q6. Has your organisation ever experienced a data breach involving the loss or theft of consumer or customer information?	Pct%A	Pct%B	Gap
Yes	43%	61%	18%
No	31%	25%	-6%
Unsure	26%	14%	-12%
Total	100%	100%	0%

Q7. If yes, did this data breach require notifying consumers or customers about the incident?	Pct%A	Pct%B	Gap
Yes	16%	10%	-6%
No	70%	67%	-3%
Unsure	14%	23%	9%
Total	100%	100%	0%

Q8. If yes, how frequently has this occurred in the past 24 months?	Pct%A	Pct%B	Gap
Only once	86%	62%	-24%
Two or three times	11%	27%	16%
Four or more times	3%	11%	8%
Total	100%	100%	0%

Q9. If yes, was the loss or theft of personal information caused by a third-party such as a vendor, business partner or contractor?	Pct%A	Pct%B	Gap
Yes	50%	51%	1%
No	43%	36%	-7%
Unsure	7%	13%	6%
Total	100%	100%	0%

Q10. If yes, did the incident(s) result in the loss of existing customers?	Pct%A	Pct%B	Gap
Yes	46%	67%	21%
No	11%	9%	-2%
Unsure	43%	24%	-19%
Total	100%	100%	0%

Q11. If yes, did the incident(s) result in the loss of potential customers?	Pct%A	Pct%B	Gap
Yes	45%	69%	24%
No	10%	10%	0%
Unsure	45%	21%	-24%
Total	100%	100%	0%

Q12. If yes, did the incident(s) result in the diminishment of marketing campaign objectives (such as customer acquisition rates that were below expectations)?	Pct%A	Pct%B	Gap
Yes	28%	56%	28%
No	13%	11%	-2%
Unsure	59%	33%	-26%
Total	100%	100%	0%

Q13. Does your organisation limit the types of personal information it will share with third-parties for purposes of marketing?	Pct%A	Pct%B	Gap
Yes	83%	76%	-7%
No	15%	15%	0%
Don't know	2%	3%	1%
Unsure	0%	6%	6%
Total	100%	100%	0%

Q14. If yes, please indicate the types of personal information that your organisation will share with third parties for purposes of marketing? Leave blank if information is never shared with third parties for purposes of marketing.	Pct%A	Pct%B	Gap
Name	65%	86%	21%
Home address	66%	85%	19%
Email address	52%	81%	29%
Home telephone	46%	73%	27%
Gender	73%	87%	14%
Cellular phone	53%	60%	7%
Date of birth	35%	67%	32%
Names of family members	30%	38%	8%
Special dates (such as an anniversary)	28%	41%	13%
Recent purchases	53%	63%	10%
Credit card number	13%	19%	6%
Debit card number	0%	1%	1%
Name of employer	19%	16%	-3%
Salary information	4%	9%	6%
Job performance data	0%	0%	0%
Bank account/bank routing number	2%	7%	4%
Credit report (credit score)	0%	2%	2%
Location tracking information	14%	2%	-12%
Educational background	18%	29%	11%
Employment history	20%	22%	1%
Medical records	2%	3%	1%
Pharmaceutical history	0%	8%	8%
Veteran status	4%	9%	5%
Marital status	46%	80%	34%
Sexual orientation	6%	7%	1%
Reading interest	12%	6%	-6%
Hobbies	5%	18%	13%
Political affiliation	5%	9%	4%
Political or social activism	0%	5%	-5%
Religion	2%	10%	8%
Race or ethnic background	0%	5%	5%
National ID	4%	3%	1%
Driver's license number	1%	10%	9%
Court or legal history	6%	0%	-6%
Home (real estate) value	9%	7%	-2%
Passport or visa number	1%	0%	-1%
Travel history	2%	9%	7%
Telephone call details	0%	1%	1%
Movie (video) rentals	0%	0%	0%
Biometrics (voice, fingerprint)	0%	0%	0%
Average	17%	24%	7%

Q15. How important is it for customers to trust your organisation's privacy commitments?	Pct%A	Pct%B	Gap
Very important	53%	21%	-32%
Important	39%	34%	-5%
Not important	8%	34%	26%
Irrelevant	0%	11%	11%
Total	100%	100%	0%

Q16a. Do you believe that advancing superior privacy practices can be a competitive advantage for your organisation?	Pct%A	Pct%B	Gap
Yes	19%	24%	5%
No	65%	45%	-20%
Unsure	16%	31%	15%
Total	100%	100%	0%

Q16b. If yes, which of the following practices do you believe create a competitive advantage for your organisation? Please check all that apply.	Pct%A	Pct%B	Gap
Respecting the privacy preferences of customers	23%	34%	11%
Performing email and other marketing campaigns in-house without the involvement of third-party contractors, companies or agencies	35%	46%	11%
Giving consumers and customers choices in the marketing messages received.	23%	25%	2%
Making a commitment to not share consumers or customers' personal information with third-parties for marketing purposes	39%	53%	14%
Regulating the number of marketing messages and ads sent to consumers.	23%	29%	6%
Making sure consumers only receive ads and marketing messages that are relevant to their interests.	33%	56%	23%
None of the above creates a competitive advantage.	21%	16%	-5%
Total	197%	259%	62%

<b>SAMPLE A: Q17. Which of the following outbound marketing channels present the greatest risks to privacy within your organisation today? Please rank each channel from 5 = most privacy risk to 1 = least privacy risk.</b>	Combined 5 & 4	5	4	3	2	1
Email	76%	40%	38%	13%	9%	1%
Direct mail	34%	16%	17%	18%	23%	25%
Internet	77%	32%	38%	12%	10%	8%
Telemarketing	52%	27%	26%	31%	11%	5%

<b>SAMPLE B: Q17. Which of the following outbound marketing channels present the greatest risks to privacy within your organisation today? Please rank each channel from 5 = most privacy risk to 1 = least privacy risk.</b>	Combined 5 & 4	5	4	3	2	1
Email	72%	37%	36%	16%	4%	8%
Direct mail	51%	20%	26%	16%	13%	26%
Internet	69%	31%	34%	21%	14%	0%
Telemarketing	68%	31%	34%	11%	23%	1%

<b>Q18a. Do you believe your organisation's privacy requirements make it more difficult to market to present and potential future customers?</b>	Pct%A	Pct%B	Gap
Yes	13%	45%	32%
No	85%	38%	-47%
Unsure	2%	17%	15%
Total	100%	100%	0%

<b>Q18b. If yes, is marketing to consumers and customers more difficult because of one or more of the following reasons?</b>	Pct%A	Pct%B	Gap
Unable to use behavioural targeting technologies because of consumers' fears or concerns about their privacy	12%	20%	8%
Reduction in the number of customers who can be contacted because of opt-in or opt-out policy	84%	91%	7%
Increase in the cost of executing a marketing campaign as a result of privacy compliance requirements	10%	29%	19%
Total	106%	140%	34%

<b>Q19a. Does your organisation outsource marketing activities?</b>	Pct%A	Pct%B	Gap
Yes	58%	60%	2%
No	33%	37%	4%
Unsure	9%	3%	-6%
Total	100%	100%	0%

Q19b. If yes, what marketing activities/campaigns are outsourced by your organisation today?	Pct%A	Pct%B	Gap
Email campaigns	69%	71%	2%
Direct mail campaigns	56%	73%	17%
Internet marketing campaigns	36%	49%	13%
Telemarketing campaigns	43%	55%	12%
Other	1%	0%	-1%
Total	205%	248%	43%

Q19c. If yes, what are the primary reasons for outsourcing today?	Pct%A	Pct%B	Gap
Data protection and privacy	0%	1%	1%
Efficiency	36%	42%	6%
Cost	78%	89%	11%
Quality of service	10%	9%	-1%
Other	1%	0%	-1%
Total	125%	141%	16%

Q19d. If no, what are the primary reasons why marketing activities/campaigns are not outsourced by your organisation today?	Pct%A	Pct%B	Gap
Data protection and privacy	55%	37%	-18%
Efficiency	28%	49%	21%
Cost	3%	5%	2%
Quality of service	50%	82%	32%
Other	2%	1%	-1%
Total	138%	174%	36%

20. Would you ever consider in-sourcing your email marketing campaign to protect the privacy of your customers' personal information?	Pct%A	Pct%B	Gap
Yes	66%	65%	-1%
No	29%	21%	-8%
Unsure	5%	14%	9%
Total	100%	100%	0%

## Organizational Characteristics & Demographics

What organisational level best describes your current position?	Pct%A	Pct%B
Senior Executive	1%	1%
Vice President	0%	0%
Director	23%	23%
Manager/supervisor	35%	32%
Associate/staff	35%	39%
Other	6%	5%
Total	100%	100%

Check the Primary Person you or your supervisor reports to within the organisation.	Pct%A	Pct%B
Marketing	1%	86%
Privacy	25%	0%
Compliance	43%	0%
Research	0%	3%
Information technology	19%	11%
Security	3%	0%
Other	9%	0%
Total	100%	100%

Geographic region	Pct%A	Pct%B
North England	20%	21%
Midlands	18%	18%
South England	12%	13%
Wales	5%	3%
London	34%	33%
Scotland	10%	12%
Total	100%	100%

Experience levels	Pct%A	Pct%B
Total years of overall experience	8.50	9.10
Total years of marketing or privacy experience	5.12	5.80
Total years in current position	3.94	4.74

Is your company publicly traded?	Pct%A	Pct%B
Yes, major stock exchange	56%	57%
Yes, minor stock exchange	3%	4%
No	41%	39%
Total	100%	100%

What industry best describes your organisation's industry focus?	Pct%A	Pct%B
Financial services	21%	18%
Government	9%	5%
Technology & Software	3%	5%
Healthcare & pharma	3%	6%
Manufacturing	13%	13%
Communication services	5%	8%
Hospitality & Leisure	7%	2%
Transportation	2%	2%
Retailing	18%	15%
Professional Services	3%	4%
Consumer Products	4%	11%
Education	5%	3%
Energy	2%	3%
Entertainment and Media	2%	4%
Other	2%	1%
Total	100%	100%

How important to you is the privacy of your personal information?	Pct%A	Pct%B
Very important	49%	43%
Important	50%	49%
Not important	1%	8%
Irrelevant	0%	0%
Total	100%	100%

What is the worldwide headcount of your organisation?	Pct%A	Pct%B
Less than 500 people	4%	6%
500 to 1,000 people	6%	8%
1,001 to 5,000 people	32%	38%
5,001 to 25,000 people	38%	33%
25,001 to 75,000 people	18%	13%
More than 75,000 people	2%	2%
Total	100%	100%

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**Ponemon Institute** LLC

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