Data Privacy in the EU and the US

With big data the subject of much media focus and top of the public’s mind, FTI Consulting presents the first in its findings of a comparative study that explores attitudes towards data protection in both the EU and US.
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>4</td>
</tr>
<tr>
<td>Highlights</td>
<td>5 - 6</td>
</tr>
<tr>
<td>TTIP Negotiations and EU-US Relations</td>
<td>7 - 9</td>
</tr>
<tr>
<td>Awareness and Control</td>
<td>10 - 13</td>
</tr>
<tr>
<td>Concern</td>
<td>14 - 19</td>
</tr>
<tr>
<td>Trust</td>
<td>20 - 28</td>
</tr>
<tr>
<td>Benefits</td>
<td>29 - 34</td>
</tr>
<tr>
<td>Conclusion</td>
<td>35</td>
</tr>
<tr>
<td>Biographies</td>
<td>36</td>
</tr>
<tr>
<td>About</td>
<td>37</td>
</tr>
</tbody>
</table>
The collection and processing of large volumes of data can result in a number of benefits, such as the progression of science and technology, discovery of new drugs, increased safety, target marketing and overall more accurate analysis that allows for more informed decision making. Big data is already much more than just a buzz word: today whole business models are focusing on services that make use of big data.

Data privacy has become one of the biggest issues in negotiations between the EU and US following revelations of the US intelligence services covert surveillance programmes. Many of the companies that collect data on EU citizens are based in the US. For these companies the free flow of data between the two economies is vital.

The collection of personal data is of concern to the public and, in order to ensure that the stakeholders involved develop policies that address these concerns, we need to support the understanding of changing attitudes towards big data in order to support economic growth.

FTI Consulting has therefore conducted a comparative study in the EU and the US to understand public opinions on big data. FTI Consulting conducted two separate surveys: in the US, telephone interviews were conducted from 29 May to 02 June 2013 among 1,000 adults aged 18 and over. In Europe, online polling was carried out from 25 to 28 October 2013 among 1,536 adults aged 18 and over in six key EU Member States: Germany, France, Poland, Spain, Sweden and the UK. The same questions were asked in both the EU and US polls however, additional questions were included in the EU study. This was to determine the change in attitudes regarding the latest developments in data protection and to focus on an EU specific angle. It is important to note that the survey in the US predated the covert surveillance revelations by a few days, whereas the survey in the EU was conducted several months after these revelations.
From an EU perspective, the NSA surveillance programme is thought to have negatively impacted the EU-US relationship: 76% of EU respondents say this is the case, and 50% of respondents agree that the EU-US TTIP trade negotiations should be stalled due to the surveillance issue.

Data privacy is an important subject in the public debate. In the EU 80% of respondents are aware of the issue. The majority of respondents in both the EU (55%) and the US (53%) see the collection of big data as negative, and 55% in the US and 54% in the EU feel a sense of uneasiness regarding their personal data being collected and used.

Americans are much more proactive when it comes to protecting personal information, with 57% buying software to protect themselves. In comparison, only 37% of EU respondents indicated that they have bought such software. Only 40% of EU respondents have tightened their social media security settings, in contrast with 59% of Americans. Conversely, 19% of US respondents have avoided the internet altogether in comparison with a mere 5% of Europeans being prepared to do the same.

Americans are more concerned when asked about specific risks in the context of the collection and use of personal data. In both the EU and US, the use of identifiable information such as social security numbers and home addresses was the biggest concern (EU: 81% - US: 92%). Financial activities were also a major concern for the public, with 77% of EU respondents and 88% of American respondents expressing concern.

In general, Americans are more optimistic regarding the potential benefits of the collection of personal data. A clear majority in the US (53%) think that it is somewhat or very likely that the general public enjoy greater safety as a result of data gathering, in contrast with the European perspective, where 43% of respondents have the same opinion. These differences are even more prevalent with regard to the economic benefits of data collection: 66% of Americans say they are likely or somewhat likely to access lower prices on products due to data collection, whereas only 41% of Europeans think this is the case.

Finally, trust in institutions dealing with the collection of personal data is quite low on both sides of the Atlantic, with Americans demonstrating slightly more trust in institutions than Europeans. Only half of Europeans and Americans trust their governments to be able to treat personal data responsibly. The bodies most trusted in both the EU and US to responsibly use personal data are healthcare providers, with 80% of Americans and 66% of Europeans stating that they trust them a great deal or somewhat. The most distrusted bodies on both sides of the Atlantic are social media sites, with 70% of both the EU and US respondents stating that they have little or no confidence in them handling data responsibly.
70% of Americans and Europeans have little or no confidence in social media sites.

50% of Americans and Europeans trust their Governments to deal with data responsibly.

59% of Americans use social media security setups compared to 40% of Europeans.
54% of Europeans feel a sense of uneasiness regarding data collection.

55% of Americans.

50% of Europeans agree that EU-US trade negotiations should be stalled.

Americans do more to protect their privacy than Europeans.
TTIP negotiations and EU-US relations

European perspectives on the TTIP negotiations and the EU-US relationship.
Seventy-six percent of EU respondents agree that the data protection issue will impact the EU-US relationship. 24% disagree.

Fifty percent of respondents think that the TTIP negotiations should be stalled due to the data issue. However, almost as many (49%) don't.
Eighty-four percent of respondents feel that the EU should be able to prosecute US companies if they breach EU laws in the way they handle data.

Europeans’ perspective on who benefits from big data:

- US is benefiting compared to the EU: 45%
- EU is benefiting compared to the US: 10%
- Both EU and US are evenly benefited: 32%
- Neither the EU nor the US are benefiting: 13%
Awareness and control: exploring the risks and methods of defence with personal data usage.
A large majority both in Europe and the US (37% in both regions) feel they do not have very much control over the information collected about them. However, double the number of US respondents than those in Europe feel they have no control at all (28% vs 14%). Americans and Europeans are similarly pessimistic about being able to fix or remove incorrect or unwanted information about them online. Less than 50% of respondents in the EU and the US feel they have little or no control regarding their personal information being shared online.
Thirty-six percent of Americans have their phone numbers unlisted compared to 35% of Europeans.

Eighty-four percent more Americans than Europeans have bought software to protect their personal information on their computer (57% in the US have versus 31% in the EU).

Europeans are much more relaxed about their online security than their American counterparts. Sixteen percent of Europeans have done nothing to protect themselves against information being used without their knowledge, compared to just 9% of Americans. The following graphs provide more details on other ways in which Europeans were found to take online security less seriously.
More than twice as many Americans than Europeans have insured against identity theft, however in both the EU and US those that have are still in a minority.

Around a quarter of Europeans and a third of Americans have disabled GPS functions on their electronic devices.

Fifty percent more Americans than Europeans have tightened their social media security settings.

Four times as many Americans - and a significant minority (almost 20%) - avoid using the internet compared to Europeans.
Issues around the data collection of personal interests and information.
Fifty-five percent of Europeans think that the collection of data is negative compared to 53% in the US. Double the number of Europeans than Americans do not express an opinion (15% vs. 7%).
Almost the same number of Europeans and Americans - and more than half of respondents in each case - are concerned about the amount of information about them available online.
The use of personal health information is a major concern in both the EU and US. A huge majority in both regions are concerned about personal financial information being used - almost 90% of Americans are worried.

The use of location and travel history information worries a similar number of Americans and Europeans. The use of personal pictures worries more than 7 out of 10 in both the EU and US; three quarters of Europeans are worried about this, the only area in which Europeans are more worried than Americans.
Europeans and Americans are equally concerned about data on political preferences and activities being used, however the picture is relatively balanced in both regions.

The results for shopping and purchasing history also demonstrate a relatively balanced opinion however a majority are still concerned.

The sharing of identifiable information such as social security numbers and home addresses is the number one concern for Europeans (81%) and Americans (92%) alike.
The use of communication history data is another major concern in both the EU and US.

Twenty seven percent more Americans than Europeans are concerned about information on their children being used without their knowledge.

A third more Americans than Europeans are confident that the websites they use have adequate security policies.
How institutions and organisations are handling the public’s data and whether they are trusted with it.
In the US, a majority (53%) thinks it somewhat or very likely that the general public enjoy greater safety and security as a result of information-gathering, whereas 44% think it not very or at all likely. In the EU, 49% think greater safety and security not very or at all likely, and 43% think it somewhat or very likely.

The EU (54%) and US (50%) think that greater safety and security from information-gathering is not very or at all likely. However, a high proportion of US respondents (47%) think that greater security and safety is somewhat or very likely to result from the collection of such data, compared to only 38% in the EU.
Similar levels of distrust are expressed in the ability of governments on both sides of the Atlantic to responsibly use personal data - 50% in the EU and 51% in the US.

Law-enforcement agencies are trusted in the US, somewhat or a great deal to responsibly use personal data by 71% of respondents, compared to the 28% who do not trust them at all or very much. In the EU, 54% say they trust law-enforcement agencies somewhat or a great deal against the 41% who do not trust them much or at all.
In both the EU and US healthcare providers are most trusted to responsibly use personal data. Healthcare providers visibly inspire more trust in the US (80%) than in the EU (66%).

At the other end of the spectrum, social media sites inspire little or no confidence in 70% of respondents in both the EU and the US.
Social media sites are followed by the media in levels of distrust (66% and 69% respectively).

In both the EU and US all politicians and political parties are distrusted when it comes to personal data (64% and 62%).
Data Privacy in the EU and the US

In all other categories surveyed (financial institutions, employers, online- and offline-retailers, mobile phone and internet service providers, health-, and home-, auto- & life-insurance companies), Americans exhibit more confidence for their personal data to be responsibly used than do Europeans.
Data Privacy in the EU and the US

Companies you buy things from online.

- EU:
  - Great deal: 35%
  - Some: 36%
  - Not very much: 8%
  - Not at all: 13%
  - Don't know: 6%

- USA:
  - Great deal: 38%
  - Some: 21%
  - Not very much: 7%
  - Not at all: 10%
  - Don't know: 6%

Companies you buy things from in person.

- EU:
  - Great deal: 40%
  - Some: 32%
  - Not very much: 13%
  - Not at all: 16%
  - Don't know: 17%

- USA:
  - Great deal: 52%
  - Some: 17%
  - Not very much: 13%
  - Not at all: 13%
  - Don't know: 16%
Data Privacy in the EU and the US

Trust in Mobile phone and internet service providers:

- EU: 8% Not at all, 38% Great deal, 32% Some, 9% Not very much, 10% Don’t know
- USA: 0% Not at all, 20% Great deal, 38% Some, 39% Not very much, 18% Don’t know

Trust in Health insurance companies:

- EU: 7% Not at all, 32% Great deal, 35% Some, 10% Not very much, 18% Don’t know
- USA: 16% Not at all, 20% Great deal, 42% Some, 21% Not very much, 20% Don’t know
Data Privacy in the EU and the US

Home, Auto and Life Insurance companies.

EU
- Great deal: 9%
- Some: 31%
- Not very much: 35%
- Not at all: 18%
- Don't know: 7%

USA
- Great deal: 14%
- Some: 49%
- Not very much: 18%
- Not at all: 17%
- Don't know: 12%

Trust
What benefits can be drawn from the collection of personal data?
In terms of benefits accrued from the amount of personal information that is collected and used by businesses, governments, individuals and other groups, in all categories surveyed Americans are more positive than Europeans.

Benefits

- Access to lower prices on products and services you use most often.
  - EU: 11%, 30%, 33%, 18%, 7%
  - USA: 23%, 43%, 20%, 13%

- More personalised information about products and services you might be interested in.
  - EU: 16%, 41%, 26%, 10%, 8%
  - USA: 29%, 40%, 17%, 12%
Benefits

More employment opportunities.

- **EU**: 36% Very likely, 22% Somewhat likely, 11% Not very likely, 9% Not at all likely, 1% Don’t know
- **USA**: 31% Very likely, 31% Somewhat likely, 25% Not very likely, 23% Not at all likely

More professional or business opportunities.

- **EU**: 24% Very likely, 36% Somewhat likely, 21% Not very likely, 9% Not at all likely, 1% Don’t know
- **USA**: 28% Very likely, 28% Somewhat likely, 22% Not very likely, 12% Not at all likely
More ability to stay in touch or reconnect with friends and relatives.

More ability to connect with new people who share your interests or beliefs.
Better information about health risks facing you and your family.

Better information about news events that impact you and your family.

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Data Privacy in the EU and the US
Lower rates on insurance.

Better information about news events that impact you and your family.

Benefits

EU (Very likely) 9% 10% 10%
(EU Not very likely) 22% 36% 26%
(EU Not at all likely) 35% 35% 21%
(EU Don't know) 8% 15% 15%

USA (Very likely) 15% 34% 18%
(USA Somewhat likely) 27% 21% 21%
(USA Not very likely) 21% 26% 21%
(USA Not at all likely) 34% 35% 35%
(USA Don’t know) 8% 22% 22%
It is clear from the study that on both sides of the Atlantic data protection is a major concern. Some of the key organisations handling data are treated with a high level of mistrust, and more so in Europe than in the US. In the US this is leading to a change in behaviour ranging from moderate measures such as increased security settings or the purchase of software to protect personal data, to the extreme like avoiding the use of the internet altogether. In Europe there is strong scepticism towards the benefits of the collection of data. A key challenge for business and policy makers in the EU and US is to raise awareness and understanding of the actual risks surrounding the availability of personal data while ensuring they gain support for big data and rebuild trust in organisations handling personal data.
Biographies

Dan Healy is a Managing Director in the Strategy Consulting & Research team in the FTI Strategic Communications practice, leading our research team in the EMEA region. He has more than 15 years market research experience throughout the region. Mr. Healy has worked extensively in the communications industry working with advertisers, PR and advertising agencies to help develop a deeper understanding of target groups in order to efficiently target and influence them. Some of his past clients include HP, British Airways, Barclays, Shell, Halliburton and Visa.

Raoul Bhavnani is the Global Practice Leader of the Strategy Consulting & Research team in the FTI Strategic Communications practice. For nearly 20 years, Mr. Bhavnani has worked at the intersection of communications, finance and government affairs while living in the United States, Asia and EMEA. His expertise involves the development and application of analytical methods in communications and business strategy. Mr. Bhavnani is a cum laude graduate of Princeton University.

Arne Koeppel is a Senior Consultant in the Strategy Consulting & Research team in the FTI Strategic Communications practice in Brussels. Prior to joining the research team he worked 7 years in EU Public Affairs at FTI Consulting and other consultancies and has gained an in-depth understanding of European politics, political processes and drivers. Mr. Koeppel has extensive experience in carrying out research projects involving European policy makers and analysing policies and legislation. He is a German qualified lawyer with an LL.M. in international trade law and intellectual property.
This research was conducted by the global Strategy Consulting and Research division of FTI Consulting.

FTI Consulting Brussels

From its office located in the heart of Brussels, FTI Consulting helps clients navigate the complex European Union and its Single Market. We advise multinational companies facing business-critical political, policy, regulatory or reputational challenges on how to engage with politicians, NGOs and the media in Brussels and beyond. Our senior, award-winning team includes experts from 12 nationalities, drawn from politics, law and the media. We specialize in strategic and integrated public affairs communications services in Banking & Financial Services, Energy & Utilities, Information & Technology, Telecommunications, Healthcare, Pharmaceutical & Life Sciences; Petroleum, Energy & Chemicals; Agriculture, and Transportation.

Strategy Consulting & Research

Our strategy consulting and research experts design and execute in-depth analysis to solve complex business and communications problems for our clients. Working closely with colleagues throughout FTI Consulting who specialize in specific industry sectors, we rigorously analyse stakeholder perceptions and day-to-day operations, as well as the financial markets. We use the results to help our clients create communications and marketing plans, test business strategies and make better operational decisions.

The standard convention for rounding has been applied, consequently some totals may not add up to 100%.