

Aimia Inc.

Consumers worry about privacy but still willing to share data

Aimia survey: Shoppers more willing to share personal information in exchange for rewards

MONTREAL, Nov. 3, 2014 /CNW Telbec/ - Despite a series of recent, high-profile data breaches and consumer concerns over data collection, shoppers are still open to sharing their personal information, reveals a new survey released today by Aimia Inc. (TSX: AIM).

Just how much they're willing to share, and to whom, varies greatly by industry and nationality. According to the Aimia Loyalty Lens report, when asked to rank types of businesses by the degree to which they are comfortable with those businesses handling an individual's personal data, an overwhelming majority of consumers (82 per cent) put banks in the top four (out of ten), along with supermarkets (64 per cent), mobile phone providers (56 per cent) and their places of work (50 per cent). Conversely, 65 per cent of consumers place online search engines in the bottom two of institutions they trust and 58 per cent of consumers place social networks in the bottom two.

Despite the perception that some industries are doing a better job at protecting data than others, more than half of shoppers internationally (55 per cent) are willing to share personal information with companies in exchange for relevant rewards. That willingness is uneven across international markets. Close to three-quarters (74 per cent) of respondents from India are open to providing their personal details, compared to only one-third of more skeptical Germans (39 per cent). This may be because German consumers value their personal information the most amongst the 10 markets surveyed (36 per cent versus 29 per cent internationally).

"Consumers are increasingly required to trust companies to handle their personal details," said David Johnston, Group Chief Operating Officer, Aimia Inc. "Transparency about how data is being collected and used will become a key differentiator for businesses going forward. Those that are clear and offer a better customer experience by how they use that information will build greater trust and loyalty."

Avoiding Creepiness

However, there is a fine line between providing a customized experience and coming across as just plain creepy.

With the data that retailers now have, they can greet each customer by name. But knowing the particularities of the local market matter. In France, 47 per cent say they're not comfortable when supermarket cashiers address them by name, while in the Middle East 46 per cent see it as perfectly fine. Meanwhile, 66 per cent of Canadians are put off by supermarkets that send coupons to their mobile phones, while 52 per cent of residents in India are quite comfortable with it. The same applies when supermarkets follow up by phone or email after making a purchase. More than half (57 per cent) of Americans see the follow-up gesture as going too far, compared to only one in three (34 per cent) of those in the Middle East.

Similar variances occur when it comes to the travel and leisure sector. While over half of consumers in Australia (56 per cent) are comfortable being called by their names by airlines, only 33 per cent of Italians are comfortable with the gesture. When it comes to follow-up calls and emails once a purchase has been made, 39 per cent of consumers internationally appreciate the gesture by airlines, but in the UK, 38 per cent are uncomfortable with the practice.

"With today's technological advances, companies have the ability to truly understand consumers — from what we like to eat, to where we like to shop, to even our names. But it's important for businesses to know when and where it's appropriate to use this information to engage consumers, and that it varies significantly by industry and nationality. The companies that win will be the ones



that listen to their consumers' preferences and use data accordingly to build mutually beneficial relationships," Johnston said.

Other highlights from the survey include:

- The number one driver behind loyalty to supermarkets is being rewarded for that loyalty (22 per cent) with price coming in second at 17 per cent. In contrast, the top driver at banks is longevity of service, with rewards coming only in fifth place.
- Not all rewards are created equal. For many institutions — including supermarkets (36 per cent) and banks (50 per cent) — getting cash back is king. But for airlines, 69 per cent prefer either loyalty currency or exclusive discounts and for hotels it's 57 per cent.
- New forms of information are now becoming as sacred as or more sacred than personal data that have traditionally been kept private. When it comes to the information consumers protect the most, web history and income top the list with 39 per cent and 30 per cent respectively stating they would never share such information. That's compared with 29 per cent who would never share their mobile phone number and 23 per cent who would never reveal their online purchases.

The Aimia Loyalty Lens report looked at trends around consumer loyalty to industries, engagement with technology and attitudes towards data privacy. Additional findings are available here: www.aimia.com/loyaltylens.

Research Methodology

The international Aimia Loyalty Lens survey was commissioned by Aimia and fielded by Research Now between June and July 2014.

The study surveyed 24,335 respondents in 10 international markets: United Kingdom, Spain, Italy, Germany, France, Canada, United States, Australia, India, and the Middle East. In all markets, apart from the Middle East and India, the sample sizes are all nationally representative. Because of the online nature of the survey there is some bias towards younger, higher income groups in the Middle East and Indian markets.

About Aimia

Aimia Inc. ("Aimia") is a global leader in loyalty management. Employing more than 4,300 people in 20 countries worldwide, Aimia offers clients, partners and members proven expertise in launching and managing coalition loyalty programs, delivering proprietary loyalty services, creating value through loyalty analytics and driving innovation in the emerging digital, mobile and social communications spaces.

Aimia owns and operates Aeroplan, Canada's premier coalition loyalty program, Nectar, the United Kingdom's largest coalition loyalty program, Nectar Italia, Italy's largest coalition loyalty program and Smart Button, a leading provider of SaaS loyalty solutions. In addition, Aimia owns stakes in Air Miles Middle East, Travel Club, Spain's largest coalition loyalty program, Club Premier, Mexico's leading coalition loyalty program, China Rewards, the first coalition loyalty program in China that enables members to earn and redeem a common currency, Think Big, the owner and operator of BIG - AirAsia and Tune Group's loyalty program, Brazil's Prisma Fidelidade and i2c, a joint venture with Sainsbury's offering insight and data analytics services in the UK to retailers and suppliers. Aimia also holds a minority position in Cardlytics, a US-based private company operating in card-linked marketing. Aimia is listed on the Toronto Stock Exchange (TSX: AIM). For more information, visit us at www.aimia.com.

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Image with caption: "With today's technology, companies have the ability to understand and target consumers based on their personal information. But are consumers open to sharing their data? Is it driving a loyal customer experience? The Aimia Loyalty Lens explores international trends around consumer loyalty, engagement with technology and attitudes towards data privacy. (CNW Group/AIMIA)". Image available at: http://photos.newswire.ca/images/download/20141103_C9292_PHOTO_EN_43156.jpg

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