

IT'S CRUNCH TIME FOR COOKIES

Oh crumbs! Leaving a trail across the internet



The cookie, not the delicious sweet treat in your kitchen, but the small piece of data sent from a website which details your behaviour when going on a website, is something we encounter every day we browse the internet.

They improve our experience and make browsing more seamless, by remembering our passwords, our preferences and items we've looked at before on websites.

But for all that helpfulness, the cookie has, rather unfairly, gained a bad reputation among the general public. Cookies have been labelled as a tracking mechanism and the beginnings of 'Big Brother', with claims they enable companies to watch our every move. Although the cookie undoubtedly plays a key role in our daily lives, people's perception of data means that cookies are at best misunderstood and at worst, disliked and feared.

We know from our previous Global Data Privacy Report that consumers' awareness of data privacy and concerns are high, with an average of 74% of people stating a degree of concern.¹ That's perhaps unsurprising given the amount of data in people's everyday lives and the stories around data in the press. However, despite the growing attention paid to data, people still report they are happy with the amount they share. For most people, cookies represent the gateway to the world of data and are the most common way most of us share it. They therefore represent a huge opportunity to set the parameters for consumers and for firms to set the ground rules, levelling the playing field.

Arguably, getting cookies right has never been more important.

Despite their importance, over half (55%) of people in the UK and US take five seconds or less to accept cookies when prompted by a website, according to our new research.² It's an alarmingly small amount of time given that these choices set the basis for the data people consent to share most often. This speed of response, or maybe ambivalence, is worth exploring, indeed some fear a 'consent fatigue', meaning people just click blindly, to get on with what they want. As we head towards the introduction of the California Consumer Privacy Act, many businesses in the US will have to change the way they inform consumers about the cookies they use, and so it will be useful to know how they are currently perceived.

55% of people in the UK and US take 5 seconds or less to accept cookies

Understanding how people act on cookies, how they view them and how this might vary between different sorts of brands could hold the key to changing consumer attitudes towards exchanging data. This report will explore how consumers in the UK and the US feel about cookies and provide some recommendations as to how they can be better explained and presented to the consumer, in order to increase trust in data sharing and enable a more balanced data economy.

Jed Mole
Chief Marketing Officer

¹ Global data privacy: What the consumer really thinks, May 2018

² Acxiom Cookie Conundrums Research, Censuswide 2019

Are people afraid of the cookie monster?



Our global research showed that people have a high level of concern about data privacy, so brands might expect that people are reluctant to accept cookies when they receive a pop up on a website.³

Recent negative press and increased policy attention, particularly following GDPR in the EU and CCPA in the US (coming into force in 2020), about how companies acquire, hold and use data has left consumers more cautious about providing their data. Cookies are one of the most visible ways in which companies do this, so we expect people to be cautious about accepting them.

However, this does not appear to be the case. Our research into the attitudes towards cookies among US and UK consumers reveals that only 16% of people never or rarely accept cookie notices. 48% of people say they accept them most of the time or always.⁴

Our research also shows that some people accept cookies quickly. 55% of people in the UK and US take five seconds or less to accept cookies when prompted by a website, and there is a suggestion that people could actually be accepting them far quicker than that. It is also interesting to find that US consumers tend to take longer to accept cookies than those in the UK, this could be based on various factors such as placement and content of the cookie banner.

Time taken to accept cookies	UK consumers	US consumers
Immediately (under 1 second)	16%	9%
Within 1-5 seconds	44%	41%
Within 6-10 seconds	24%	28%
10 seconds or more	16%	22%

How should brands respond?

Alex Hazell, UK Data Privacy Officer at Acxiom says:

“Overall what we’re seeing in the UK is that consumers are generally quick to accept cookies, whether it’s because they know the site works better with them, or because they don’t fear them. Consumers could just be so used to the notices that acceptance is almost an automatic response. As an industry, we need to be better about explaining the ways in which cookies work, to help consumers feel like they are making an informed decision.”

³ Global data privacy: What the consumer really thinks, May 2018

⁴ Acxiom Cookie Conundrums Research, Censuswide 2019



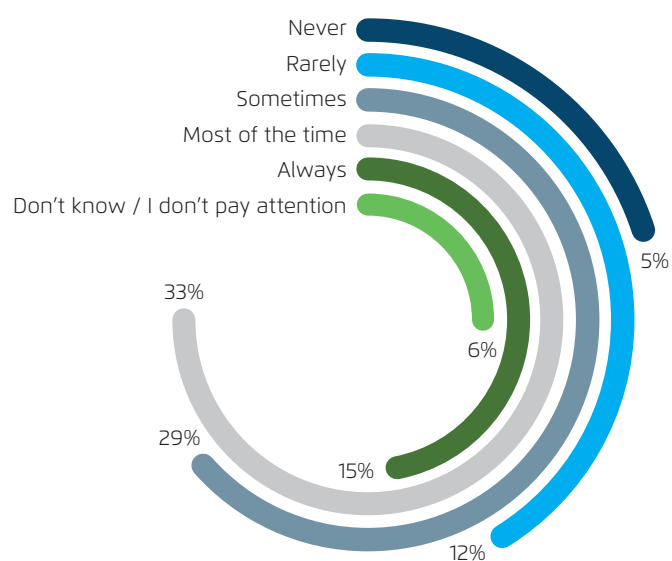
To show consumers the data economy is working, not just for businesses but also for consumers, companies could consider adding not just more information to cookie notices, but easier to understand information. We'll look at how brands can do this later in this report.

Brands could also think about how to make consumers aware of the benefits cookies bring throughout their internet browsing experience. When shopping online, for example, if a consumer was looking at a product earlier in their journey but decided not to purchase, the site might remind them of that using a 'We think you might like' or 'How about these' pop ups. It would be wise for brands to include that the reason they know this is because the shopper has accepted cookies, showing how this transparent action has improved their shopping experience rather than let the uninformed consumer worry it is because of some more privacy-intrusive process.

What are cookies, and how do they work?

A cookie is a small bit of information that a website places on your computer. When you revisit the website, your web-browser sends the information back to the website. Usually a cookie is designed to remember and tell a website some useful information about you if you've identified yourself or, about the person using the browser at the time if you've remained anonymous. For example, an online bookstore might use a persistent cookie to record the authors and titles of books you have ordered. When you return to the online bookstore, your browser lets the bookstore's site read the cookie. The site might then compile a list of books by the same authors, or books on related topics, and show you that list.

Thinking of your behaviour when browsing a new website, when the cookie notice is presented to you, how likely are you to accept it?



(US and UK consumers)⁵

⁵ Acxiom Cookie Conundrums Research, Censuswide 2019

These results relate only to new websites and therefore are unlikely to reflect attitudes towards cookies on sites which people are familiar with, such as their preferred news or shopping website.

Not all cookies are made equal



While consumers are generally happy to receive cookies, there are varying levels of comfort and acceptance depending on the type of websites people are using. People are most happy accepting cookies from online shopping sites. More than two fifths (45%) of consumers say these are the sites they are most comfortable receiving cookies from.⁶

The advantage for shopping sites is that they can easily demonstrate the value a consumer gets from accepting cookies. A key purpose of cookies on a shopping site is to remember items in a shopping basket, which can be immensely helpful to a consumer. Depending on how the cookies are set up, a website might remember what a consumer was looking at earlier that same day, an hour before, or even on a previous day, saving shoppers a chunk of time. Cookies are perhaps also a small barrier or risk between the buyer and the product they desire so the trade-off between risk and reward is seen by the consumer as being heavily in their favour.

On social networks, where cookies are used to remember everything from login details to search terms, 40% of consumers say they are happy to accept them. Despite some of the most negative press and political attention focussing on social networks' use of data, it seems that consumers still see the benefits of cookies. Social media has become such a big part of our daily lives that consumers are willing to exchange some of their data to make their lives easier.

In contrast, people are least comfortable with receiving cookies from travel sites (20%) and content or lifestyle sites (13%).⁷ There are two very different reasons why this could be the case. Firstly, people might be put off accepting cookies from travel websites, including location or map software, because of the feeling that a website is aware of their location. With content and lifestyle sites, it may not be clear to consumers how they benefit from allowing cookies, so these sites need to double down on presenting the benefits of cookie acceptance to individuals, e.g. cookies enable personalised marketing and offsite monetisation that subsidises the site or platform.

However, not accepting cookies for these types of sites could hamper the browsing experience. Cookies for travel sites, for example, can help the site remember key information such as a preferred airport, making it easier for consumers to find the flights they want. These benefits need to be articulated and companies should also consider addressing the all too frequent claim that if you return to travel sites after not buying on your initial visit, then the prices will rise.



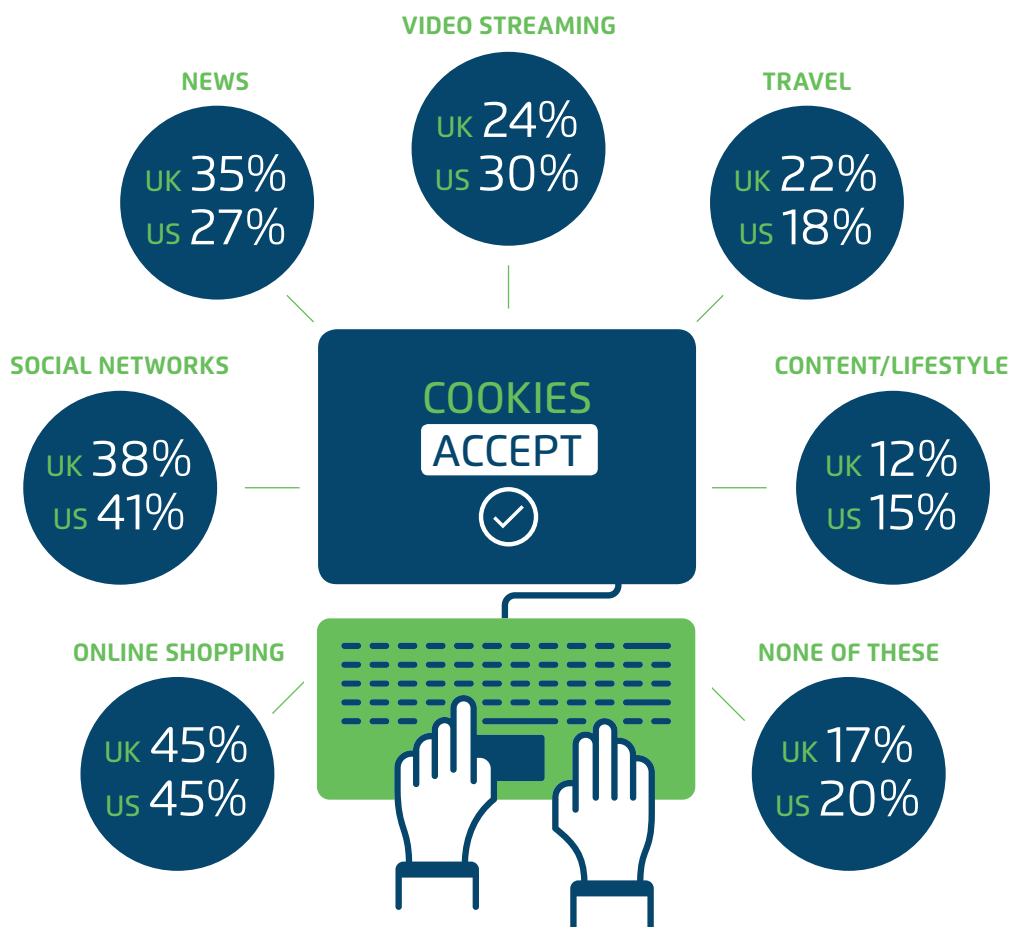
^{6,7} Acxiom Cookie Conundrums Research, Censuswide 2019

Lisa Andreou, Sales Director at Acxiom says:

“For those industries which struggle more to get consumers to accept cookies, the key things they need to prove are trustworthiness and usefulness. We know that trust is the most important factor for consumers sharing information and so less trusted brands need to think about how they can improve their reputation and demonstrate the value their site delivers. This could include things like reducing

the use of click bait articles, or pushing content based on data which consumers might not know they have provided. They should also emphasise the benefits to consumers of the data they gather, and make sure to highlight this at key points in the consumer journey; make it transparent and make it simple.”

Which of these categories of websites are you most comfortable to accept cookies from?⁸



⁸ Acxiom Cookie Conundrums Research, Censuswide 2019
(Respondents chose up to three options)

Privacy policies: The perfect accompaniment to a cookie

In the lead up to GDPR being introduced in May 2018, brands rushed to update their privacy policies. Changes were made to ensure policies were clear about how they were using and storing consumer data, demonstrating that they had adopted the new rules.

With CCPA set to come into force on January 1st, 2020, it's likely brands in the US will also undergo a similar process. However, from a consumer readership perspective, it looks like these efforts may have had limited impact.

From our research, attitudes towards reading privacy policies in both the UK and the US are similar. 24% of consumers in both the US and the UK say they never read them. 36% of UK consumers and 41% of US consumers say they rarely read them.⁹ And just 2% of consumers in the UK and the US say they always read privacy policies.¹⁰ Even when consumers do read them, they tend not to spend much time absorbing the information. 42% say they read it quickly, perhaps taking up to a minute, while 39% say they scan it for a few seconds.¹¹

With such low figures for readership and focus, brands might be tempted to care less about making the policy a key part of their website. However, this legal requirement is also an opportunity to better inform consumers about how their data is used.

Alex Hazell, Head of UK Legal, at Acxiom comments:

"Privacy policies are too often written in technical language and positioned on a website along with other sorts of corporate information, like investor and financial information. But we know that if consumers feel more informed about what data companies hold on them and how it's used, they will likely feel more comfortable sharing information with them.

"Brands need to work harder to provide condensed versions of privacy policies, which are easier to understand, with further layers if people want to go more in depth. They could produce an infographic version of the privacy policy, or a quick video explaining how the site uses data to help businesses deliver better marketing experiences to people."

^{9, 10, 11} Acxiom Cookie Conundrums Research, Censuswide 2019

Conclusion and recommendations

Cookies are most consumers' first real touch point with the world of data when they go online. Although there is a view that people find them irritating, our research shows this is a misperception. Consumers in the US and the UK view cookies as part and parcel of their website browsing experience – they want a smooth, seamless experience of using websites and they know that to get that they need to accept cookies. However, there is an opportunity for cookies to be more useful to brands in explaining how data sharing works. The prize for doing this is that brands can foster trust with people, and this is arguably the key (and often missing) ingredient in the success and sustainability of the data economy. There are some key steps which brands could take to make sure cookies are used to their full potential.

Be clear on the benefits of cookies to consumers

Brands need to be better at explaining what cookies actually do, especially if it's not immediately clear how consumers will benefit. Consumers are quick to accept cookies but may be surprised further down the line when they find out a company knows certain things about them, such as restaurants they might want to visit, or locations they've been to. We need to shift from reluctant acceptance to true acceptance. A key part of this will be for brands to demonstrate to consumers that accepting cookies and exchanging data is what keeps services free for consumers to use.

Use cookies to address concerns over data sharing

Explaining the benefits of cookies more clearly will help consumers to feel more in control and informed about the way companies use their data. By understanding how their data is being used, they'll begin to feel like they are making a conscious decision about how they interact with a brand. Highlighting the usefulness of cookies in a way which is easy for the consumer to understand

could help people to grasp how the data economy works and see the exchange of data as more evenly balanced. Also important is ensuring people understand any sharing implications and do not feel that their data has been shared with 'everyone'.

Make privacy policies more user friendly

Although people are concerned about their online privacy there are measures in place to protect it. Brands need to be better at communicating them. Brands could look to capitalise on academic research around getting people to change their behaviour and attitudes towards privacy policies by making reading privacy policies, in particular simplified versions of them, a key part of website behaviour. This is something which we will explore in greater detail in one of our upcoming reports.

Reiterate the benefits of using cookies, throughout the user journey

Brands would benefit from providing small reminders of how consumers are benefitting from cookies. For example, people could see a quick message when they return to Google Maps and it knows their location, which says 'We know this because you accepted cookies. If you'd like a reminder of what this means, head to our simple guide on how using cookies benefits your experience.'

Overall, consumers are more willing to accept cookies than we might expect. The picture is relatively positive. However, blind acceptance is not ideal and more needs to be done to explain the benefits which cookies bring to consumers to address the bigger issue which is the unfair perception of inequality in the data economy.



How Acxiom uses your data

What data do we have?

- We hold data about people, such as names, addresses, ages, dates of birth, contact details, lifestyle and demographic data, and data about products or services bought.
- We do not hold sensitive data, termed 'special category data' by the GDPR.

How do we get the data?

- We get data from a mix of open, public data sources and from trusted, verified partners.
- The data we obtain from open, public sources is data such as the electoral register.
- The data we get from partner companies is not collected against cookies but gathered when people actively volunteer information when they complete surveys, enter competitions or when they buy goods or subscribe to clubs or services. This data is collected in line with all local data protection legislation.

What do we do with the data?

- We provide a picture of people which helps organisations to better understand their consumers and prospects and to make their marketing more relevant.
- We use contact information to enable brands' marketing campaigns and improve relationships with consumers.

What don't we do with the data?

- We don't use our own data to market directly to consumers. As a consumer, you'll never receive marketing from Acxiom.
- We don't do anything outside of the local data protection legislation.

How can you find out more about the data we have?

- Watch the explainer [video](#) on our website.
- Read our full [privacy policy](#).
- Use our [portal](#) for further options about your data, including how to opt out.

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The data used in this report was taken from a Censuswide survey commissioned by Acxiom of 4,003 consumers in the US and the UK, carried out online between 31st July 2019 and 5th August 2019.

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