



# VOLTA

Central London's Data Centre



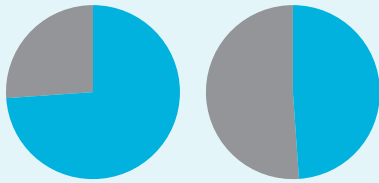
## DO CUSTOMERS CARE ABOUT HOW AND WHERE THEIR DATA IS STORED?

A Market Research Report



## EXECUTIVE SUMMARY

### REASONS WHY CONSUMERS LOSE TRUST



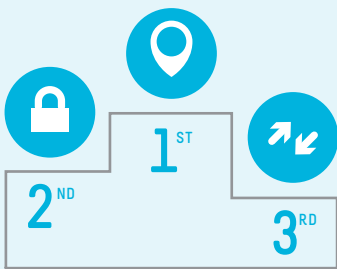
74%

of consumers would significantly or fundamentally lose trust in a company if it suffered a data breach.

49%

of UK consumers would only tolerate issues with accessing an online service a few times before seeking an alternative provider.

### CUSTOMER CONCERNS AND PRIORITIES



87% Feel more confident if their data is stored in UK or EU

69% Worry about data stored outside UK

68% UK consumers have experienced server failures when purchasing when purchasing

### WHERE DATA IS STORED IS IMPORTANT



8 out of 10 UK consumers would appreciate more transparency regarding how and where their data are stored.

UK consumers are losing trust in companies with data security and data availability challenges. According to a survey undertaken on behalf of Volta Data Centres by Red Brick Research – three quarters (74%) of consumers would significantly or fundamentally lose trust in a company if it suffered a data breach, and half (49%) of UK consumers would only tolerate issues with accessing an online service a few times before seeking an alternative provider.

Consumers prioritise data security, location and availability when it comes to evaluating new financial services providers or online gaming services.

Further top line results include:

- **DATA LOCATION** – 87% of UK consumers would feel more confident if they knew their data was stored in the UK compared to European countries
- **DATA SECURITY** – Consumers are concerned about privacy laws with 69% admitting they would worry if they knew that their personal information was being held in countries that had different data protection laws to the UK
- **DATA AVAILABILITY** – Over two thirds of UK consumers (68%) have experienced a server failure when completing a purchase online.

Despite clear concerns regarding companies' data policies, the majority of consumers are still unaware of how their personal data is stored – 81% fail to check how a company stores their personal data or for how long that data is held. This is in stark contrast to the 49% that actively check that security status of the website.

While consumers are more mature and aware of data location and security issues than many organisations perceive, they are not as well informed as they would like. Organisations have a significant opportunity – indeed a need – to improve consumer education. Businesses could gain competitive advantage by informing customers that their data is stored in London, for example, and that the data centre is subject to multiple levels of physical security, excellent power and connectivity resilience.

**81% OF UK CONSUMERS WOULD HAVE MORE TRUST IN AN ORGANISATION IF IT PROVIDED MORE INFORMATION ABOUT HOW AND WHERE IT STORED CUSTOMER DATA.**

Consumers increasingly decide where to spend their money on the basis of personal data security, availability performance and data location as much as product quality and value. It is time for organisations to re-evaluate both data storage and consumer education policies – or run the risk of losing both customers and brand value.

## INVESTIGATING THE SURVEY RESULTS

### DATA ISSUES AFFECT CONSUMERS' PERCEPTION OF A BRAND

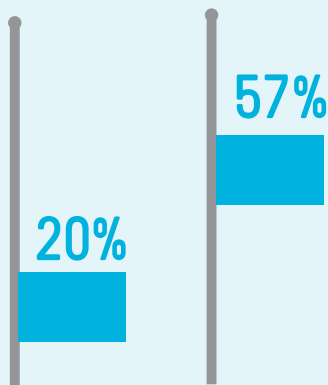


**36%** of UK consumers would fundamentally lose trust in a company if it suffered a data breach



**74%** of UK consumers' trust in a company would be significantly or fundamentally impacted if the company suffered a data breach that lost personal information

### DATA BREACHES ARE HARMFUL TO A BRAND



20% of people would definitely stop using a company's services after hearing news of a data breach

57% of people would consider stopping using a company's services after hearing news of a data breach

Consumer expectations of providers are changing fast. From financial services to gaming, media to retail, most organisations recognise the importance of delivering good performance with perfect – or near perfect – uptime in order to provide customers with a seamless experience. How many organisations, however, recognise that alongside data availability concerns, consumers are also demonstrating mounting awareness of both data location and security issues when making buying decisions?

There has been a significant increase in high profile data breaches that have gained serious news coverage. More consumers than ever take data privacy issues seriously. Individuals are aware of their vulnerability to identity theft and fraud (which is estimated to cost the UK over £1 billion per year<sup>1</sup>), and expect providers to take strong action to protect their personal data.

The implication to UK businesses is significant. Brand value and consumer trust are fundamentally influenced by factors outside the traditional Key Performance Indicators (KPI) of customer service, product quality and value for money. Organisations must now also consider the impact of data storage and data security as well as corporate social responsibility issues.

Organisations must pay attention to consumers' growing awareness of data issues. According to the survey results, breaches and incidents have a significant effect on a customer's perception of a brand. Over a third (36%) of consumers would fundamentally lose trust in a company if it suffered a data breach. Furthermore, almost three quarters (74%) of UK consumers' trust in a company would be significantly or fundamentally impacted if the company suffered a data breach that lost personal information.

This result confirms a YouGov poll that was commissioned by the Information Commissioners Office (ICO) to mark European Data Protection Day – it showed 20% of people would definitely stop using a company's services after hearing news of a data breach, while 57% would consider stopping.

Organisations may have feared customer loss in response to an actual breach or poor service experience. Many organisations, however, may be surprised to learn that a company's data storage location, data security measures and data availability policies have a growing role in a consumer's day-to-day decision making.

<sup>1</sup> ID Theft figures: <http://www.aboutidentitytheft.co.uk/identity-theft-facts-figures.html>

## 01. DATA LOCATION

### CONFIDENCE IN UK/EU DATA STORAGE IS HIGH



# 87%

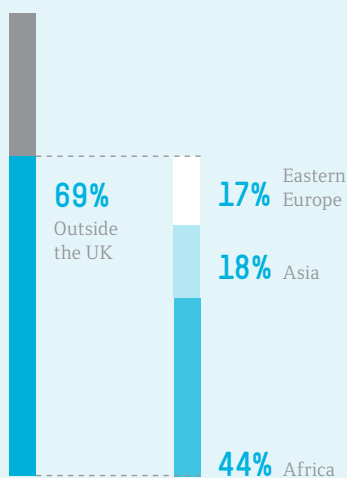
of UK consumers, would feel more confident if their data was stored in the UK compared to European countries



# 72%

are specifically more confident about data being stored in London rather than other European cities

### WHICH DATA STORAGE LOCATIONS DO UK CONSUMERS WORRY ABOUT?



According to the research, whether buying financial services or opting for a new online gaming platform, confidence in the safety of personal data is becoming a fundamental aspect of decision making. When it comes to the location of stored data, it is clear that UK consumers prefer information to be stored close to home.

The vast majority, 87% of UK consumers, would feel more confident if their data was stored in the UK compared to European countries – with 72% specifically more confident about data being stored in London rather than other European cities.

These figures have a direct impact on consumer to business relationships, with 60% saying they would be more likely to use a company if they knew it stored all its customer data in a secure London location. Three quarters (75%) of consumers are also more likely to provide personal information if they know the company stores its information in a secure UK location.

### SO WHAT ARE CONSUMERS CONCERNED ABOUT? WHAT WORRIES THEM ABOUT INFORMATION STORED OUTSIDE THE UK?

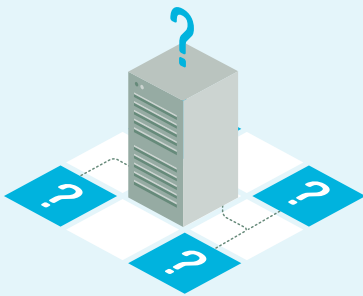
The primary concern is privacy laws – with 69% admitting they would worry if they knew that their personal information was being held in countries that had different data protection laws to the UK. Of these, 44% would be most worried about their personal data if stored in Africa, followed by Asia (18%) and Eastern Europe (17%). In addition, 67% would worry if they knew that their personal information was being held in countries that had different security requirements to the UK.

The good news for businesses is that this level of awareness is driving demands for more information about a company's data storage policies – and the younger generation is even more likely to be swayed by an organisation's data location strategy. While 72% of 25 to 54 year olds confirm they would have more trust in an organisation that provided information about where it stored data – this rises to 87.8% of 18 to 24 year olds.

There is a clear message here for UK organisations. Consumers want to know that their data is stored in the UK and they will be far more confident about interacting and sharing with those businesses that proactively communicate data storage policies.

## 02. DATA SECURITY

CONSUMERS ARE UNAWARE HOW THEIR  
PERSONAL DATA IS STORED



**81%**

of consumers don't check  
how a company stores  
their personal data

CONSUMERS UNDERSTAND THE IMPORTANCE  
OF DATA STORAGE



**71%**

of consumers say it  
is important or very  
important that data is  
securely stored in a data  
centre that is manned  
24/7/365

One clear issue revealed by this survey is that UK consumers have rising data privacy awareness and concerns – and no wonder given the constant stream of high profile data breaches that have occurred in recent years. UK consumers are proactive and regularly ensure their personal data is secure. Almost three quarters (74%) safely dispose of paper documents; 63% use different PIN numbers for multiple cards and 76% make sure that they use a mixture of numbers and letters for online passwords.

Contrary to the clear interest in data location demonstrated above, many consumers are still unaware of how their personal data is stored – over four fifths (81%) don't check how a company stores their personal data. However, consumers are aware of the questions to ask – with 71% of consumers saying it is important or very important that data is securely stored in a data centre that is manned 24/7/365.

Leading organisations clearly have a chance to gain a competitive advantage and build stronger consumer loyalty. Educating the consumer base about the importance of data security also provides a chance to actively promote a company's data location and data storage strategies. For example, a company can advertise the fact that the data centre is located in the UK and has multiple layers of physical security – from round-the-clock guards to CCTV and rack level security systems. Through publicising the safety and security of personal data, organisations can educate consumers and continue to gain and maintain customer confidence.

## 03. DATA AVAILABILITY (UPTIME)

### CONSUMER EXPECTATIONS ARE HIGH



5 out of 10 UK consumers would only tolerate issues with accessing an online service a few times before seeking an alternative provider

### THERE ARE DIFFERENCES ACROSS MARKET SECTORS



**68%**

of UK consumers have reported to have experienced a server failure when completing a purchase online

**62%**

of UK consumers have reported they have never experienced a server failure when performing online banking

The quality of the online experience has never been more important. With consumers now accessing websites via mobile as often – if not more – as desktop devices, the concept of anytime anywhere access is now a reality. As a result, expectations of providers are incredibly high. Almost half (49%) of UK consumers would only tolerate issues with accessing an online service a few times before seeking an alternative provider.

The impact of poor data uptime results in the loss of both customers and revenue – and the results show that the quality of service delivered today is far from ideal. Over two thirds of UK consumers (68%) have reported to have experienced a server failure when completing a purchase online.

There are strong differences across market sectors. Unsurprisingly, financial institutions have the most robust server performance with almost two thirds of UK consumers (62%) reporting that they have never experienced a server failure when performing online banking. Great uptime and data availability is clearly achievable and the onus is on organisations to look for better data centre performance and resilience. From dual grid power provision to the use of multiple carriers, the depth of resilience provided by data centres continues to rise. Given a consumer's willingness to move to the competition after even just a couple of bad experiences, it is essential for organisations to maximise the resiliency options now available.

IN SPITE OF CONCERNS ABOUT DATA LOCATION, A PREFERENCE FOR LONDON-BASED DATA CENTRES AND ADHERENCE TO UK DATA PRIVACY LAWS, CONSUMERS STILL LACK THE ESSENTIAL KNOWLEDGE ABOUT WHERE OR FOR HOW LONG THEIR PERSONAL INFORMATION IS RETAINED.



## CONCLUSION

In every market, the factors that influence consumer decision making are evolving at a rapid pace, as awareness of personal data risks continues to rise. Trust is clearly an important issue – with consumers extremely cautious about sharing personal data.

This is especially true of providers in certain vertical markets that perhaps have the perception of being less secure. Online gambling is a prime example, with 43% of UK consumers stating they are extremely cautious about sharing their personal data with brands which operate in this sector.

As a result of the consumer awareness around data vulnerability, almost half (49%) of UK consumers check the security status of the website they're using and 45% check the brand's reputation before deciding to share any personal details.

In spite of concerns about data location, a preference for London-based data centres and adherence to UK data privacy laws, consumers still lack the essential knowledge about where or for how long their personal information is retained.

There are significant opportunities for organisations to build brand value and improve customer confidence by promoting key aspects of the data location and security strategy.

When 81% of UK consumers (88% of 18 to 24 year olds) would have more trust in an organisation if it provided more information about how and where it stored customer data – it is clearly time to start promoting the data strategy, from the use of a data centre in London, to the high levels of physical security to which data centres have to adhere.

Consumer awareness of data location, data security and data availability continues to rise – and these issues are fast becoming as important as product offers, customer service and financial incentives when it comes to building trust and winning business.

If organisations want to gain an edge on their competitors, they need to partner with data centre providers that push the boundaries of cooling, have robust data uptime SLAs and high speed connectivity – this is in addition to the highest level of security standards. With a reliable data centre provision, organisations should be confident in promoting these excellent data services to their consumers.

## METHODOLOGY

In February 2016, Volta Data Centres commissioned Red Brick Research to undertake research into industry attitudes towards the location of data storage, the security of data storage and the uptime availability of data servers amongst consumers in the UK.

The survey itself was conducted among 1000 UK adults. The interviews were conducted online, using an email invitation and an online survey.

Quotas were set to ensure reliable and accurate representation of the total UK population aged 18 and older in various UK market sectors. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 2.2 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

The sample for the UK was selected from the Red Brick Research survey panels. The Red Brick Research panel is balanced across regional, age and gender demographic factors, and is nationally representative of the UK population.



VOLTA DATA CENTRES  
36-43 Great Sutton Street,  
London EC1V 0AB  
T +44 (0)20 7054 9390  
W [voltadacentres.com](http://voltadacentres.com)



**VOLTA**  
Central London's Data Centre