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IBM CONSUMER SECURITY STUDY – GERMANY REPORT

MARCH 12 – 13, 2021

KEY FINDINGS

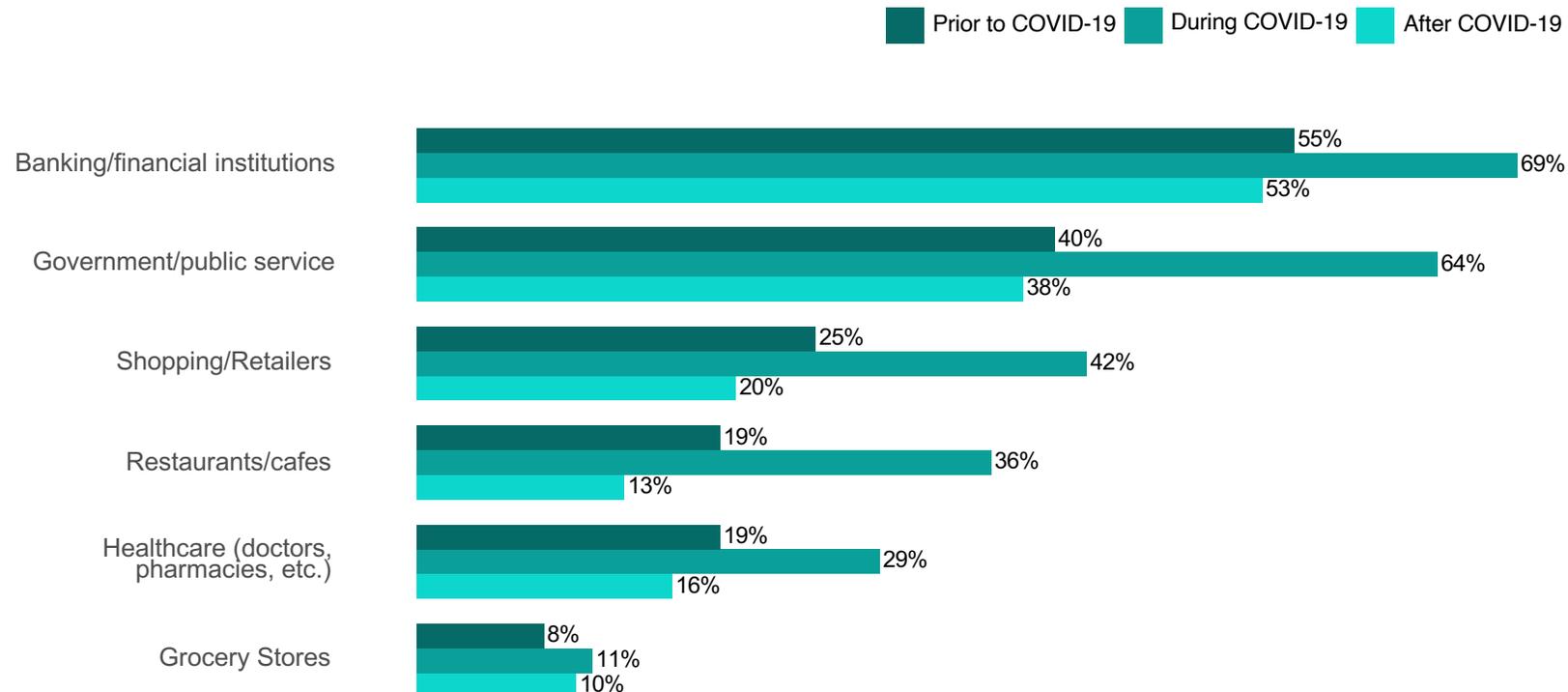
- **German respondents created, on average, 8 new online accounts during the pandemic - shopping/retail, entertainment and video conferencing were the most popular categories.** Respondents under 35 created over 15 new online accounts during the pandemic, about three times more than respondents over 50.
- **German respondents shifted further into digital interactions during COVID-19, but in most instances say they expect to return to pre-pandemic levels of in-person interactions.** German respondents under 35 typically used digital formats to interact with businesses and organizations more than older respondents.
- **59% of respondents in Germany do not plan to delete or deactivate any of the new accounts they created during the pandemic after society returns to pre-pandemic norms.** 70% of respondents over 50 do not plan to delete or deactivate any of the accounts.
- **Over three in four (76%) respondents in Germany are re-using credentials for their accounts some of the time,** with 34% always or mostly re-using the same credentials.
- **More than one in four (27%) German respondents would place and pay for an order digitally** instead of going to a physical location or calling to place an order even if they had concerns about the website/app's safety or privacy
- **A majority (61%) of German respondents would remove permission for an application track behavior** if the app were tracking activity across other apps and websites

German respondents shifted further into digital interactions during COVID-19, but in most instances say they expect to return to pre-pandemic levels of in-person interactions

Digital Interactions: Before, During, and After Pandemic

Which format did/do/will you most commonly use to interact with the following types of businesses/organizations?

[Showing: Percent of consumers using primarily **Digital Formats** (phone call, website/mobile website, mobile application) vs. Physical]



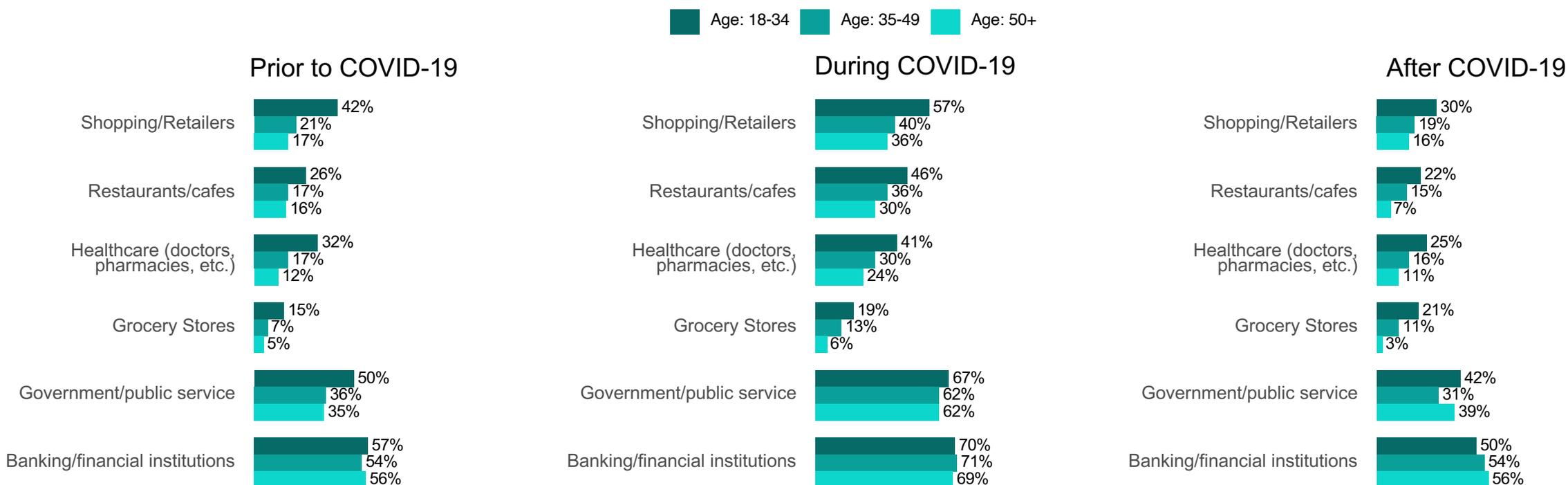
GENERATIONAL DIFFERENCES: OLDER GENERATIONS SAW THE BIGGEST SHIFT

German respondents under 35 typically used digital formats to interact with businesses and organizations more than older respondents

Generational Differences

Which format did/do/will you most commonly use to interact with the following types of businesses/organizations?

[Showing: Percent of consumers using primarily **Digital Formats** (phone call, website/mobile website, mobile application) vs. Physical]

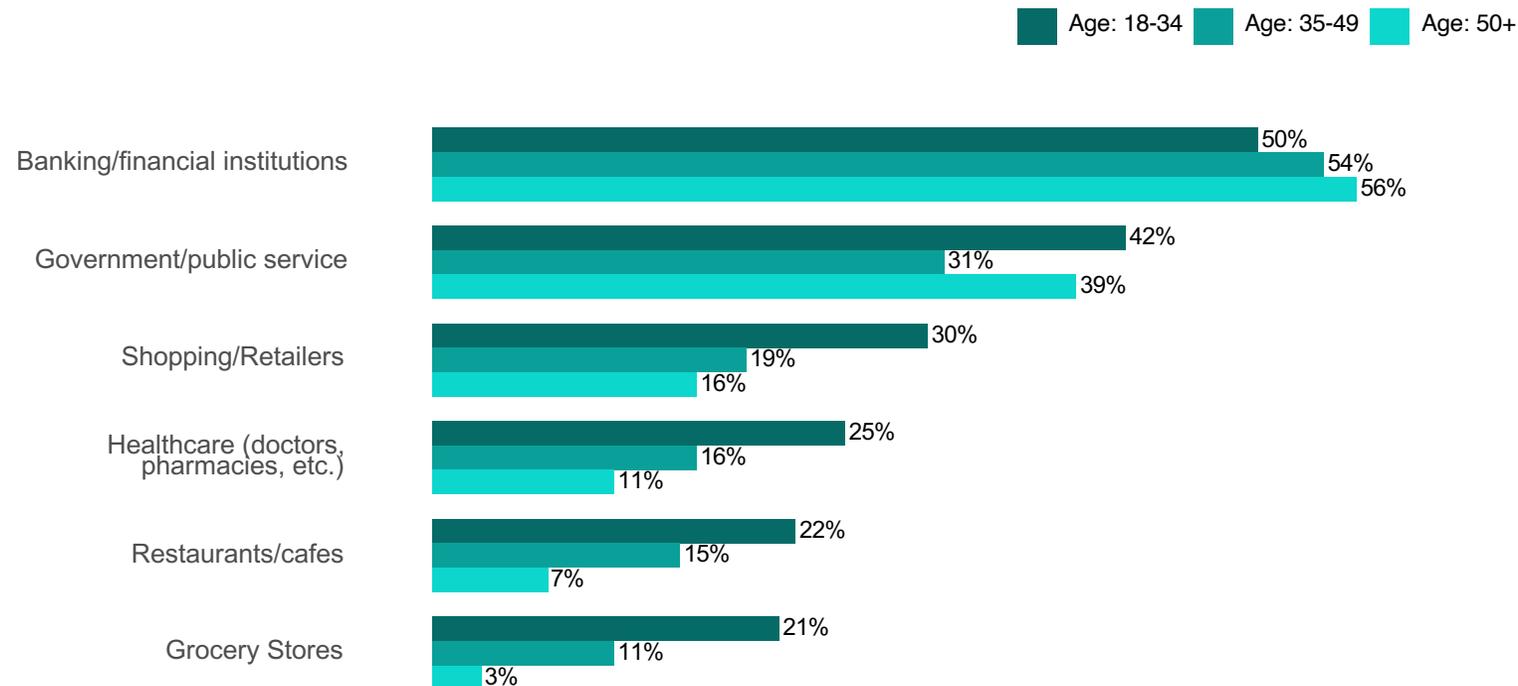


Younger Generations Most Likely to Continue Digital-First Interactions

German respondents under 35 are most likely to predict they will interact through digital formats after the COVID-19 pandemic; except for financial institutions, where all age groups report similar expectations

Thinking about life after the COVID-19 pandemic, which format do you think you will prefer to use to interact with the following types of businesses/organizations?

[Showing: Percent of Consumers Using **Primarily Digital Formats** (Phone call, website/mobile website, mobile application) vs. Physical]



DIGITAL FOOTPRINT

Surge in New Online Accounts

German respondents created about **8 new online accounts** during the pandemic

New Online Accounts Created During The Pandemic

Approximately, how many new online accounts have you created for the following categories have you created since the beginning of the COVID-19 pandemic? [Showing Average]



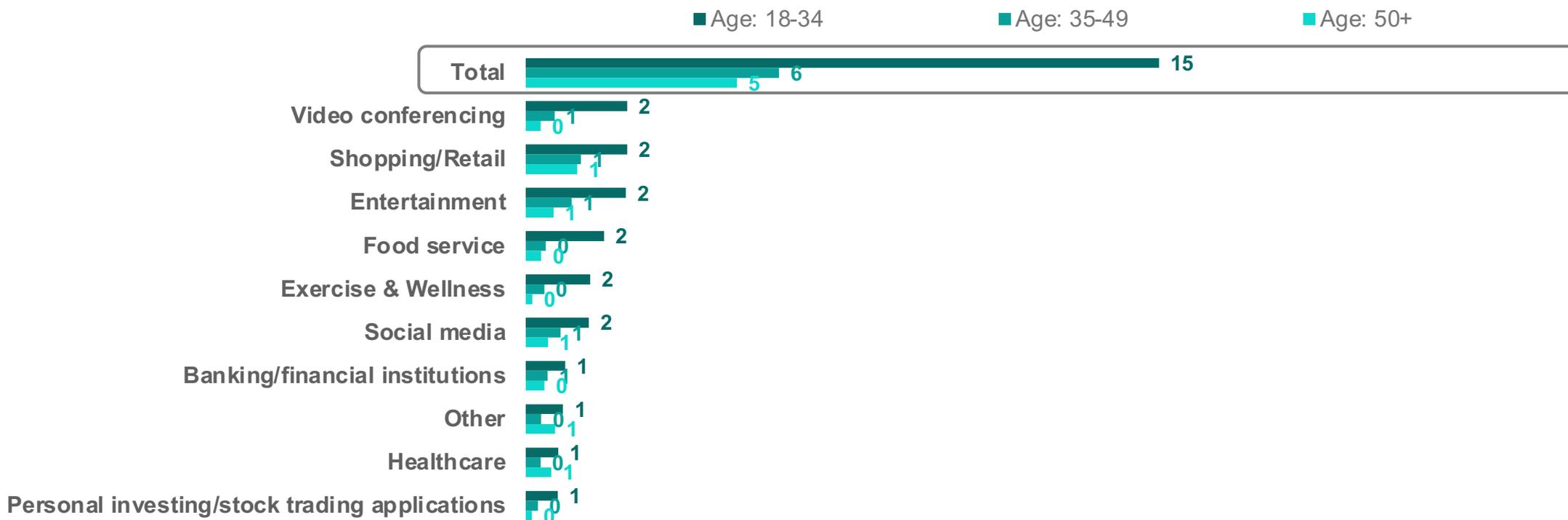
DIGITAL FOOTPRINT

Younger respondents created more new accounts

German respondents under 35 created about **15 new online accounts** during the pandemic, about three times more than respondents over 50

Number of new accounts created – by age

Approximately, how many new online accounts have you created for the following categories have you created since the beginning of the COVID-19 pandemic? [Showing Average]



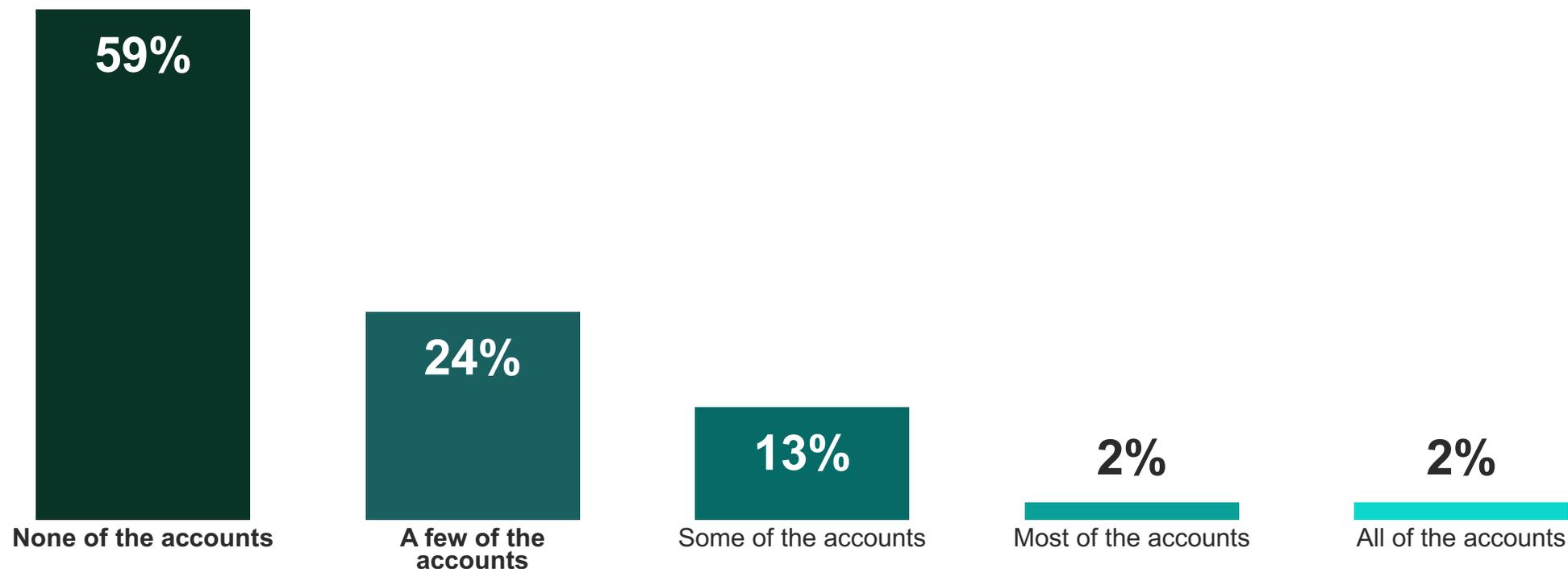
DIGITAL FOOTPRINT

Larger digital footprints here to stay

59% of German respondents **do not plan to delete or deactivate** any of the new accounts they created during the pandemic after society returns to pre-pandemic norms

Plans to delete accounts?

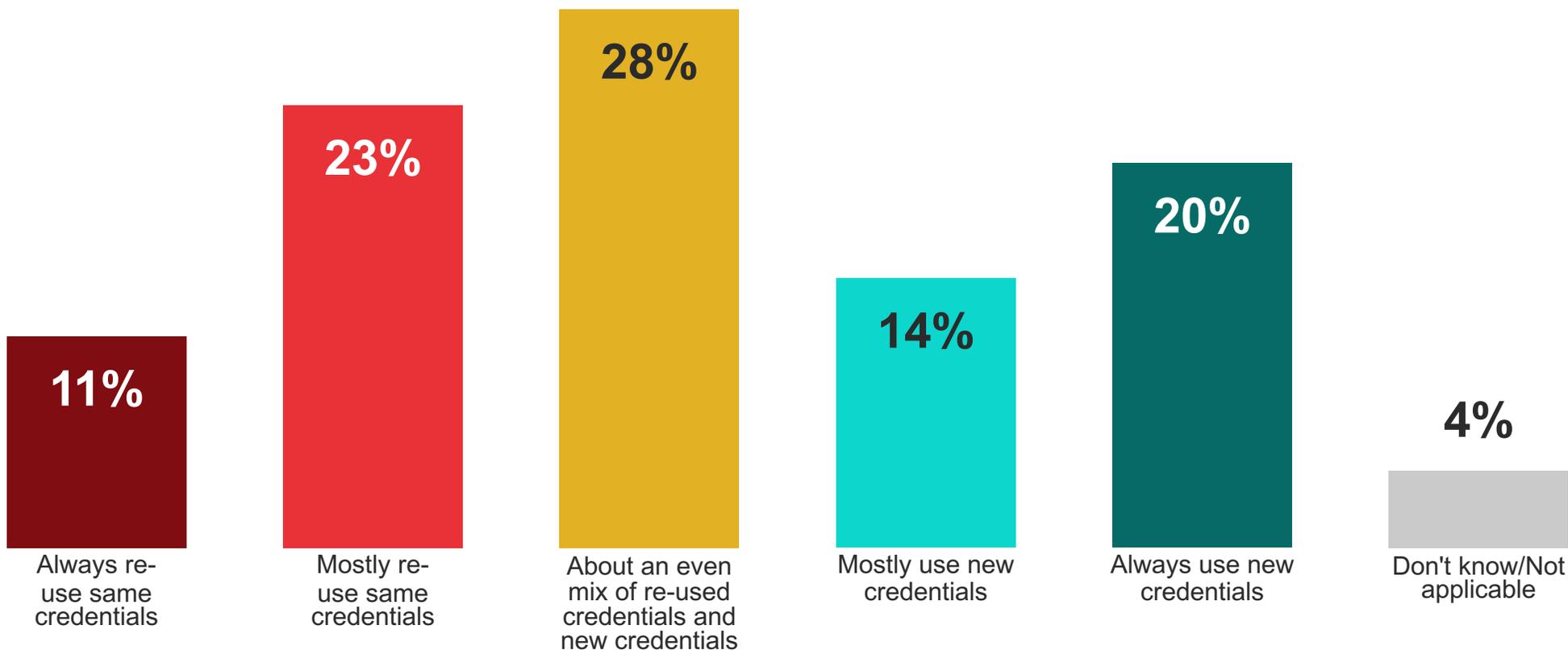
After society returns to pre-pandemic norms, how many of the new accounts you created during the pandemic do you plan to delete or deactivate?



CONVENIENCE VS PRIVACY

Over three in four (76%) respondents in Germany are re-using credentials for their accounts some of the time, with 34% always or mostly re-using the same credentials

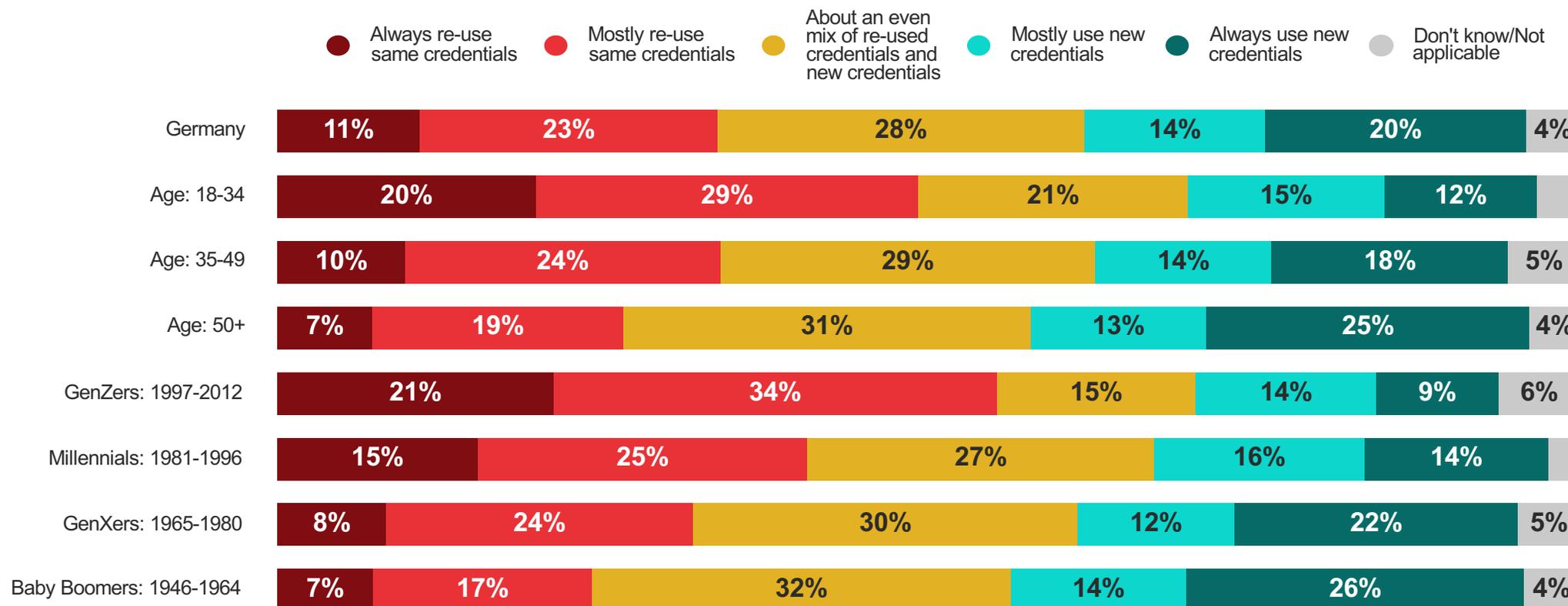
When making new online accounts, do you re-use the same credentials (usernames, passwords) that you have used for other accounts or do you create new credentials for each specific account?



CONVENIENCE VS PRIVACY

Younger generation respondents are more likely to say they always or mostly re-use the same credentials that they have used for other accounts

When making new online accounts, do you re-use the same credentials (usernames, passwords) that you have used for other accounts or do you create new credentials for each specific account?

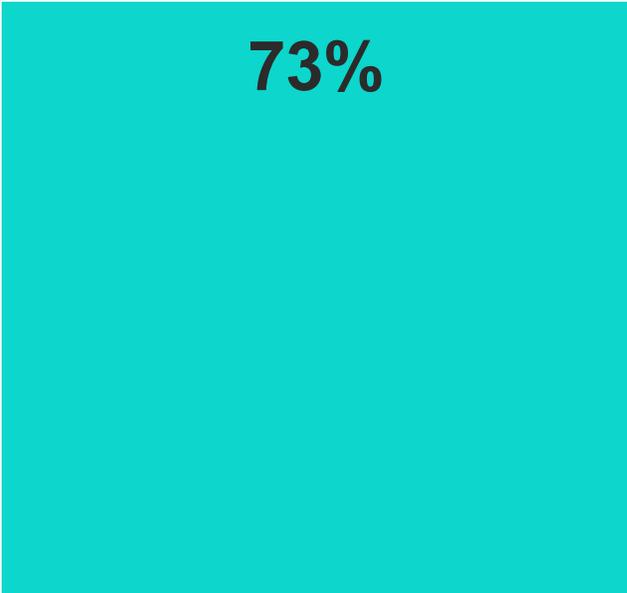


CONVENIENCE VS PRIVACY

Many would still rather place an order digitally – even if there were security/privacy concerns.

Over a fourth (27%) of respondents in Germany would rather place and pay for an order digitally than go to a physical location or call to place an order even if they had concerns about the website/app's safety or privacy

Think about a time when you're trying to place an order online and it is most convenient to order online. Which of the following statements do you agree with more, even if neither perfectly applies to you?



73%

If I had concerns about the website/app's safety or privacy, I would go to a physical location or call to place an order.



27%

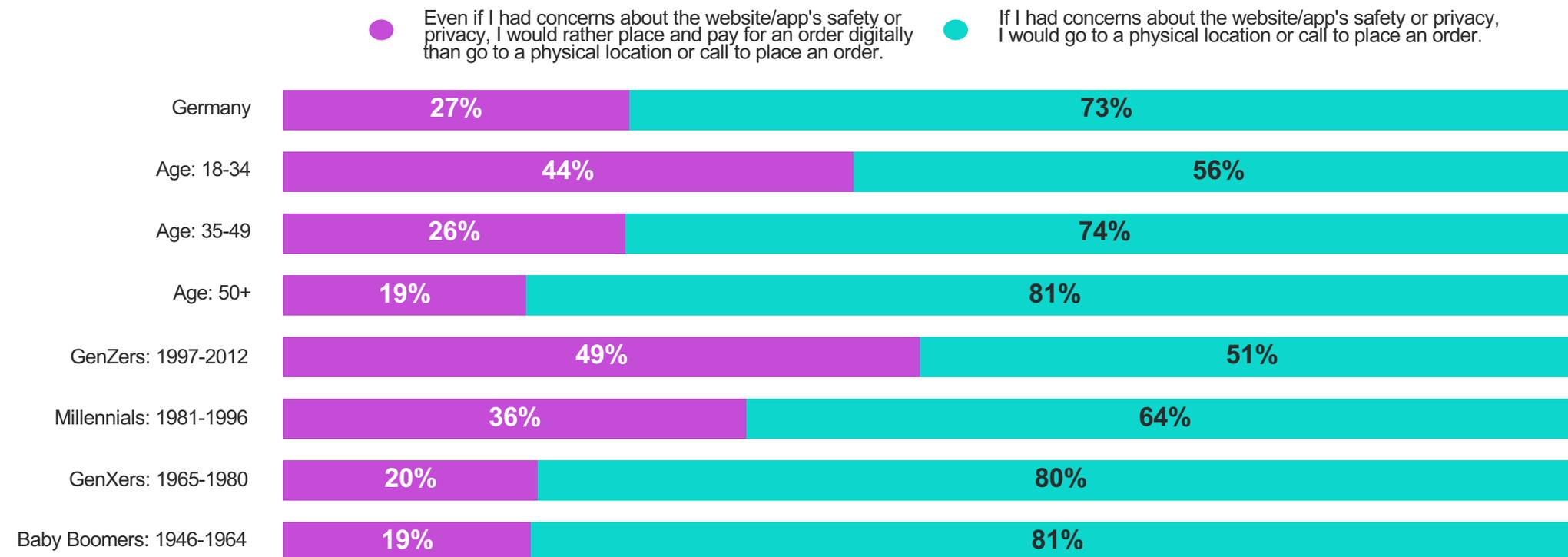
Even if I had concerns about the website/app's safety or privacy, I would rather place and pay for an order digitally than go to a physical location or call to place an order.

CONVENIENCE VS PRIVACY

About half (49%) of GenZ respondents would rather use a potentially insecure app vs. call or go to a physical location in person.

Younger Generations More Likely to Overlook Security/Privacy for Digital Convenience

Think about a time when you're trying to place an order online and it is most convenient to order online. Which of the following statements do you agree with more, even if neither perfectly applies to you?

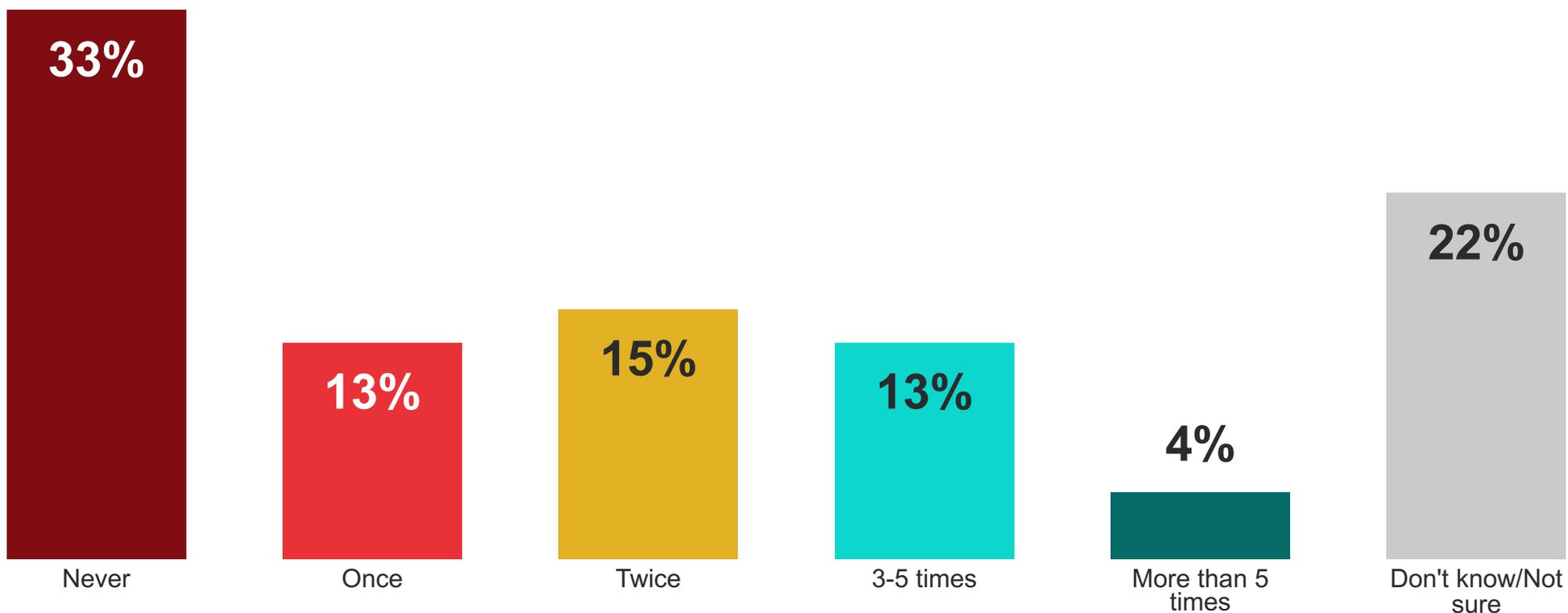


CONVENIENCE VS PRIVACY

Consumers Rarely Decline Digital Services Due to Security or Privacy Concerns

One third of respondents in Germany never decided against downloading a new app or creating a new account due to concern over its security and privacy policies

During the pandemic, how many times did you decide against downloading a new application or creating a new account due to concern over its security and privacy policies?

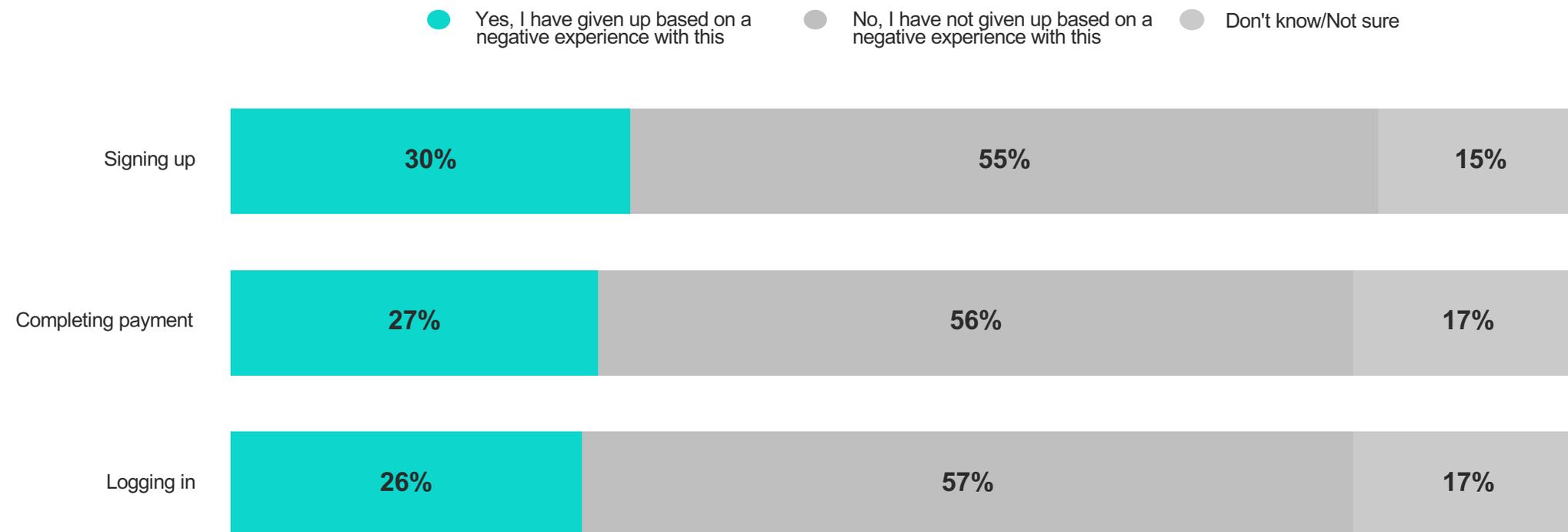


CONVENIENCE VS PRIVACY

Bad UX Leads to Lost Business

German respondents have given up on an online purchase, application, or transaction based on negative experiences logging in (30%), signing up (27%), or completing payment (26%)

Have you ever given up on an online purchase, application, or other transaction based on negative experiences with the following interactions with a website or application?



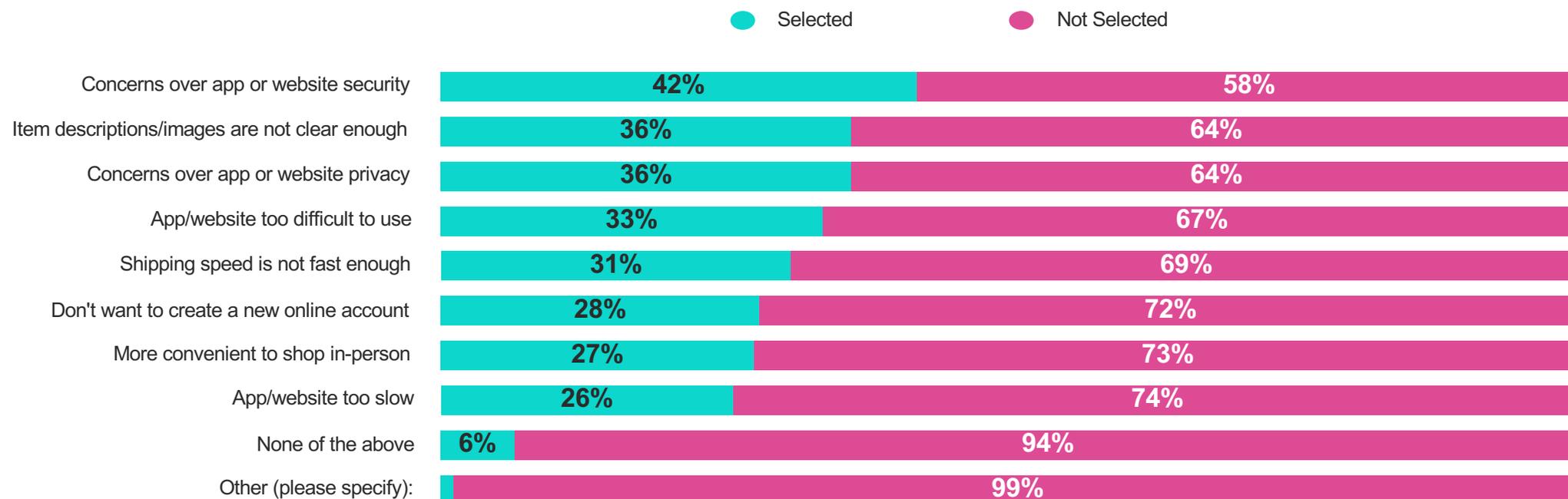
CONVENIENCE VS PRIVACY

Security and Privacy were top reasons to avoid using an app – but most still choose to use either way.

More than a third of German respondents would avoid using an online platform to shop over concerns over app/website security (42%), item descriptions (36%), and concerns over privacy (36%)

Which would lead you not to use an app?

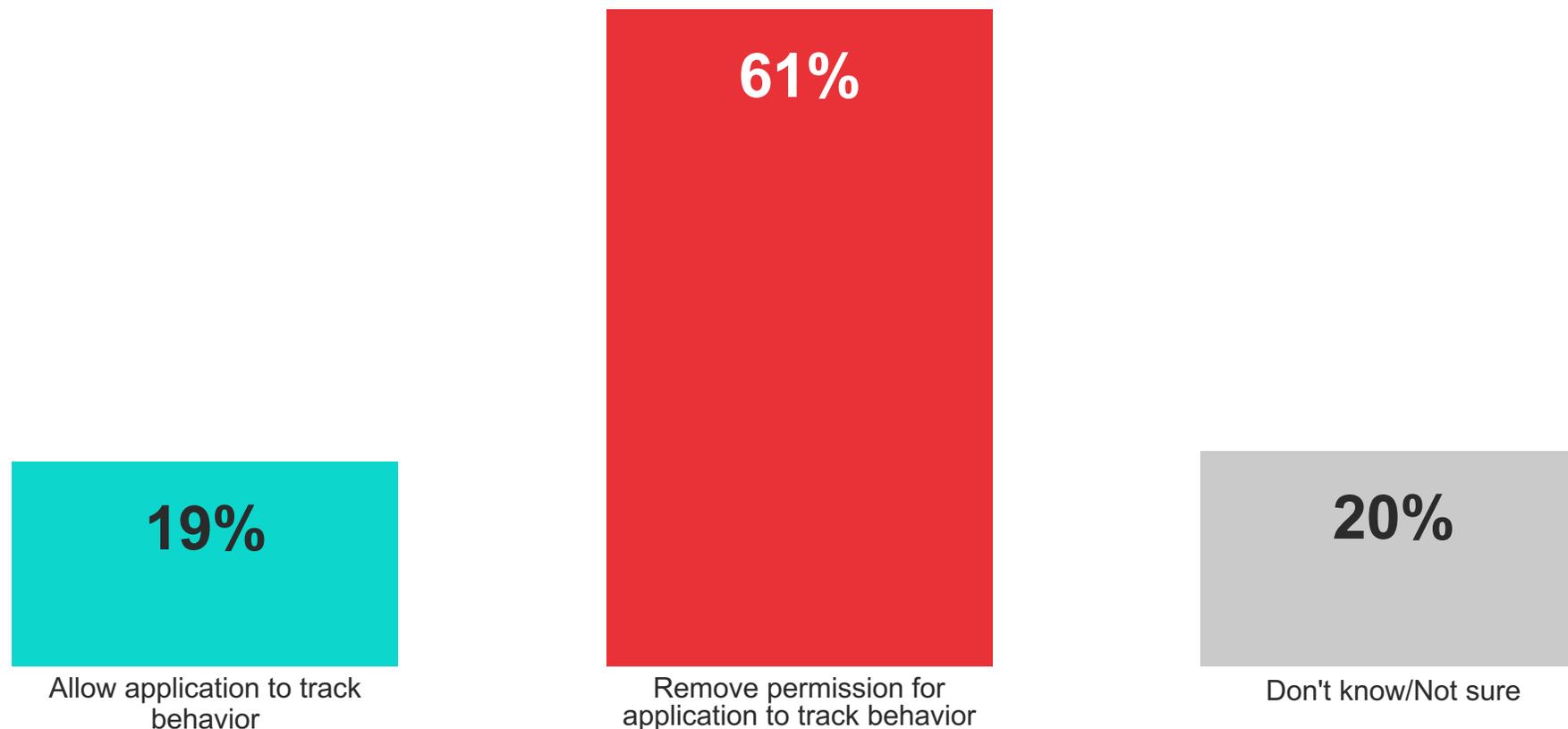
Which of the following circumstances, if any, would lead you to avoid using an online platform to shop or place an order? Please select all that apply.



CONVENIENCE VS PRIVACY

A majority (61%) of respondents in Germany would remove permission for an application to track behavior if the app were tracking activity across other apps and websites

If you received a notification that an application on your phone is requesting permission to track your activity across other apps and websites, which of the following best describes how you would react?

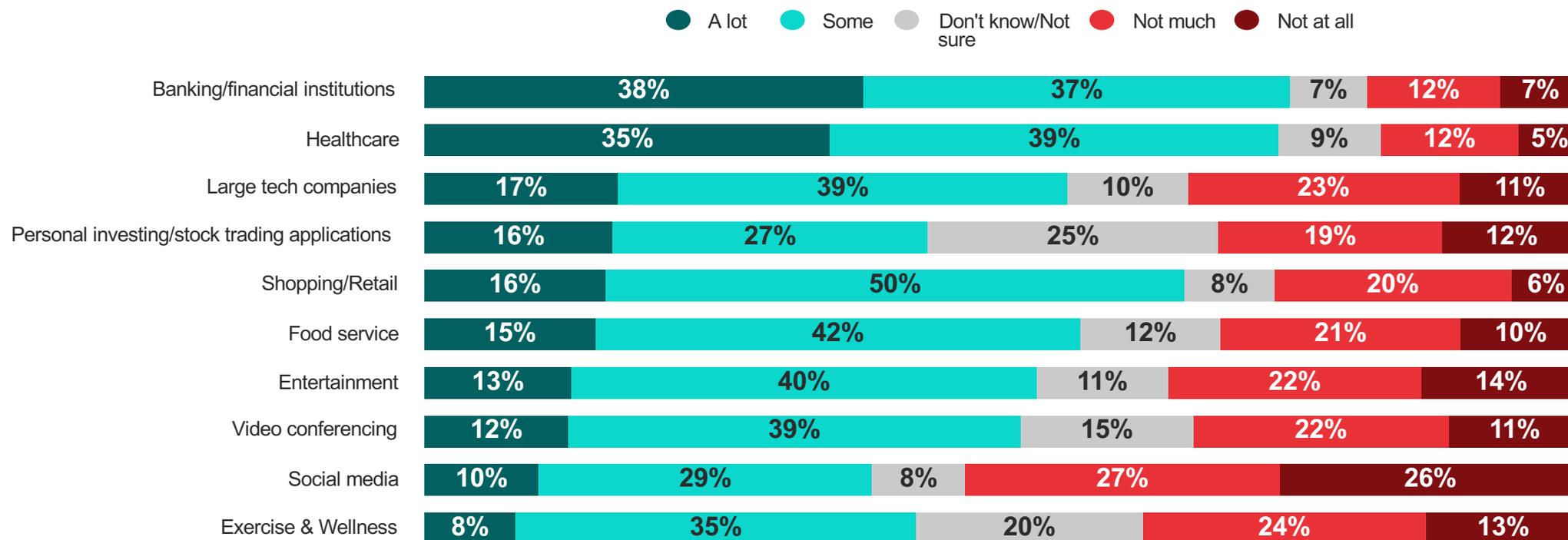


DIGITAL TRUST

- About three in four German respondents trust healthcare (75%) and banking/financial institutions (74%) to protect their personal/sensitive information
- Social Media is the “Most Distrusted” – with 53% saying they trust “not much” or “not at all”

Healthcare & Banking Most-Trusted

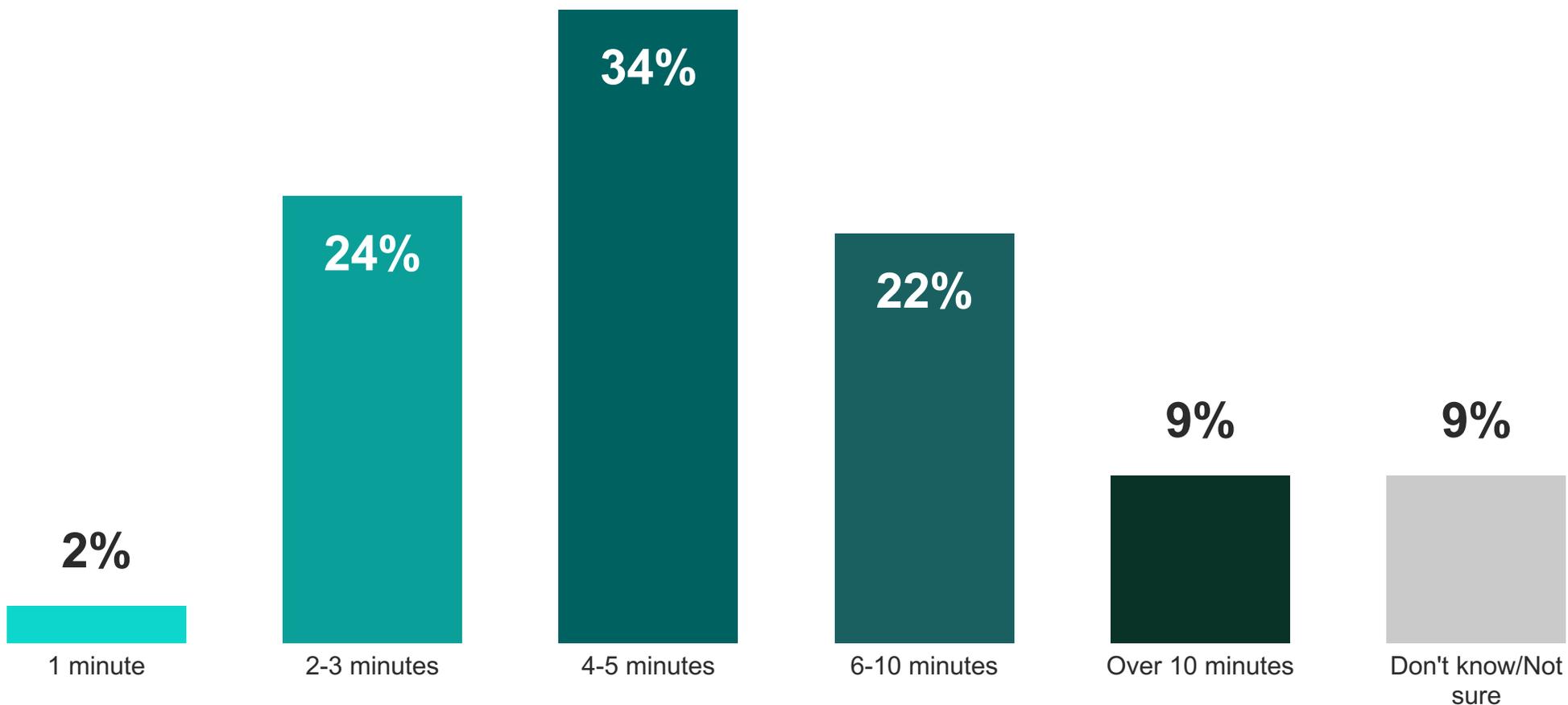
How much do you trust the following businesses/organizations to protect your personal/sensitive information?



DIGITAL ACCESS TO ONLINE SERVICES

A majority (60%) of respondents in Germany expect to spend less than 5 minutes setting up a new digital account

Generally, how much time would you expect to spend setting up a new digital account?

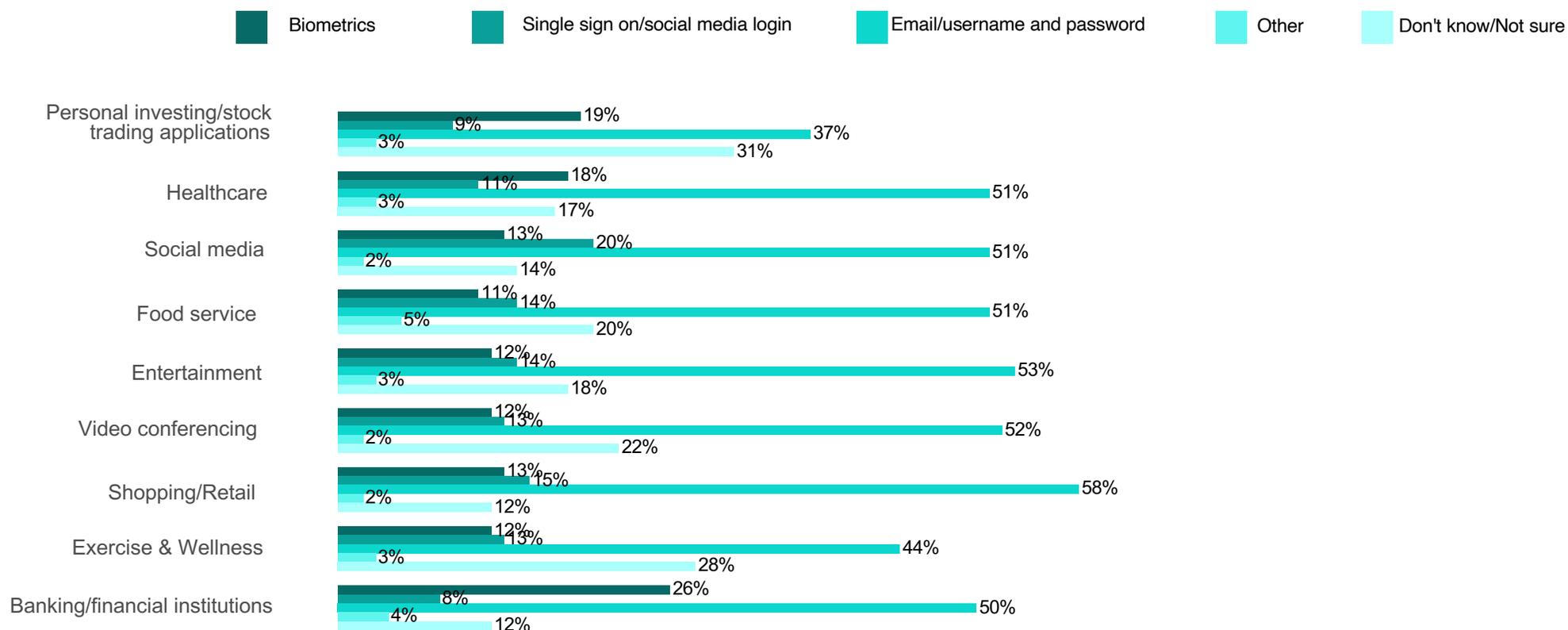


DIGITAL ACCESS TO ONLINE SERVICES

German respondents prefer using an email/username and password to log in to existing accounts across all categories

A preference for passwords

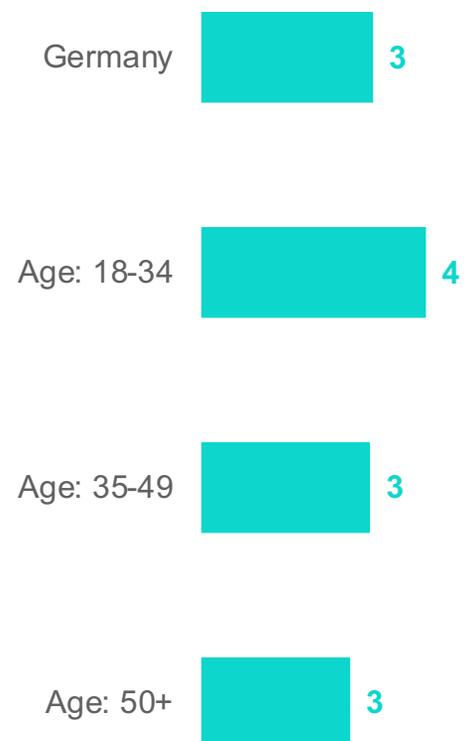
Which method do you prefer to use to log in to existing accounts for the following categories?



DIGITAL ACCESS TO ONLINE SERVICES

On average, German respondents across all age groups would attempt about **3 logins** before they decided to reset their login credentials

Thinking about when you're trying to log into an existing account, **how many failed logins would you attempt before you decided to reset your login credentials?** [Showing Average]

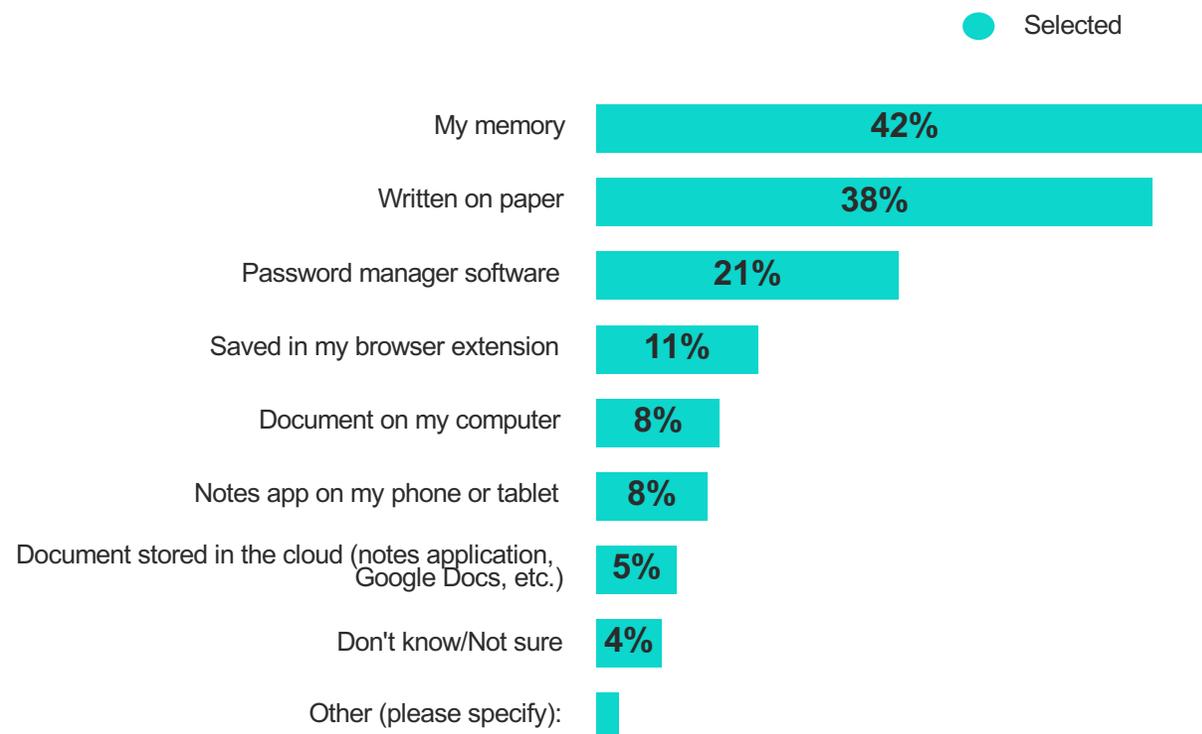


DIGITAL ACCESS TO ONLINE SERVICES

About four in ten German respondents store online account information in their memory (42%) or written on paper (38%)

Where is account information stored?

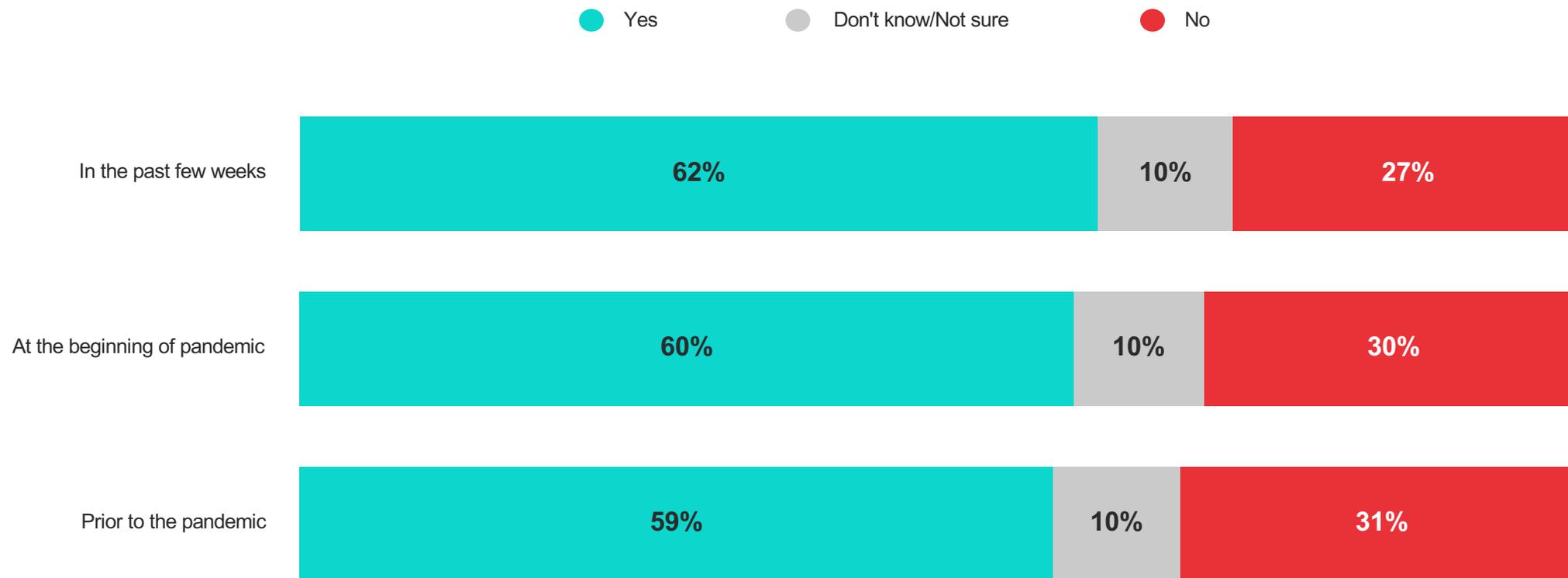
How do you store your online account information (username, passwords, account numbers, etc.)? Select all that apply.



DIGITAL ACCESS TO ONLINE SERVICES

A majority of respondents in Germany have used a two-factor or multi-factor authentication to access an online account

Have you used a two-factor or multi-factor authentication to access an online account (e.g. receive a code via text or email to authenticate your identity for your online account) in the following time periods?





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