



Ipsos Public Affairs

Centre for International
Governance Innovation

CIGI-IPSOS GLOBAL SURVEY INTERNET SECURITY & TRUST

2019 PART 4:

**PRODUCT SECURITY: INTERNET OF THINGS
& OTHER INTERNET-ENABLED DEVICES**



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GAME CHANGERS



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METHODOLOGY & TAKE-AWAYS

METHODOLOGY

- This survey was conducted by Ipsos on behalf of the Centre for International Governance Innovation (“CIGI”) between December 21st, 2018 & February 10th, 2019.
 - All online economies were fielded between December 21st, 2018 & January 4th, 2019.
 - Below are the field dates, for the offline economies:
 - Pakistan: Jan 14th – Feb 10th
 - Tunisia: Jan 24th – 31st
 - Kenya: Jan 28th – Feb 7th
 - Nigeria: Jan 25th – Feb 7th
- The survey was conducted in 25 economies—Australia, Brazil, Canada, China, Egypt, France, Germany, Great Britain, Hong Kong (China), India, Indonesia, Italy, Japan, Kenya, Mexico, Nigeria, Pakistan, Poland, Russia, South Africa, Republic of Korea, Sweden, Tunisia, Turkey and the United States—and involved 25,229 Internet users. Twenty-one of the economies utilized the Ipsos Internet panel system while four (Kenya, Nigeria, Pakistan & Tunisia) utilized face-to-face interviewing, given online constraints in these economies and the length of the poll.
- The average LOI (length of interview) of the online survey was ~10 minutes. The average LOI for the face-to-face interviews was around 20 minutes, or more.
- In the US and Canada respondents were aged 18-64, and 16-64 in all other economies.
- Since 2018, the economies of Russia and South Africa have been included in the BRICS definition, which previously only included Brazil, India, and China (BIC). For analytical purposes, the BRICS data is tracked against the BIC data from previous surveys, though the comparison is not direct.
- Approximately 1,000+ individuals were surveyed in each economy and are weighted to match the population in each economy surveyed. The precision of Ipsos online polls is calculated using a credibility interval. In this case, a poll of 1,000 is accurate to +/- 3.5 percentage points. For the face-to-face interviews, the margin of error is +/-3.1, 19 times out of 20.

BRICS = Brazil, Russia, India, China, South Africa

APAC = Asia Pacific

LATAM = Latin America

ECONOMY ABBREVIATIONS

Total	TL
Australia	AU
Brazil	BR
Canada	CA
China	CN
Egypt	EG
France	FR
Germany	DE
Great Britain	GB
Hong Kong (China)	HK
India	IN
Indonesia	ID
Italy	IT

Japan	JP
Kenya	KE
Mexico	MX
Nigeria	NG
Pakistan	PK
Poland	PL
Republic of Korea	KR
Russia	RU
South Africa	ZA
Sweden	SE
Tunisia	TN
Turkey	TR
United States	US

FIVE KEY TAKE-AWAYS

- 1** Citizens in developing economies tend to be more willing to pay extra for better product security, when purchasing Internet-enabled devices. Those in developed economies likely expect strong security in the first place.
- 2** Global citizens are willing to pay about 30% more, for better product security, a figure which is consistent across all Internet-enabled devices, regardless of type. Three in ten won't pay anything else.
- 3** Security, functionality & price continue to be the top factors influencing the purchasing decision for applications & connected devices.
- 4** Relatively speaking, price has a greater impact on the purchasing decision in more developed economies, such as Europe & North America.
- 5** Security tends to hold more sway over the purchasing decision in developing economies, such as LATAM & BRICS, which explains why they're willing to pay a higher premium to get it.

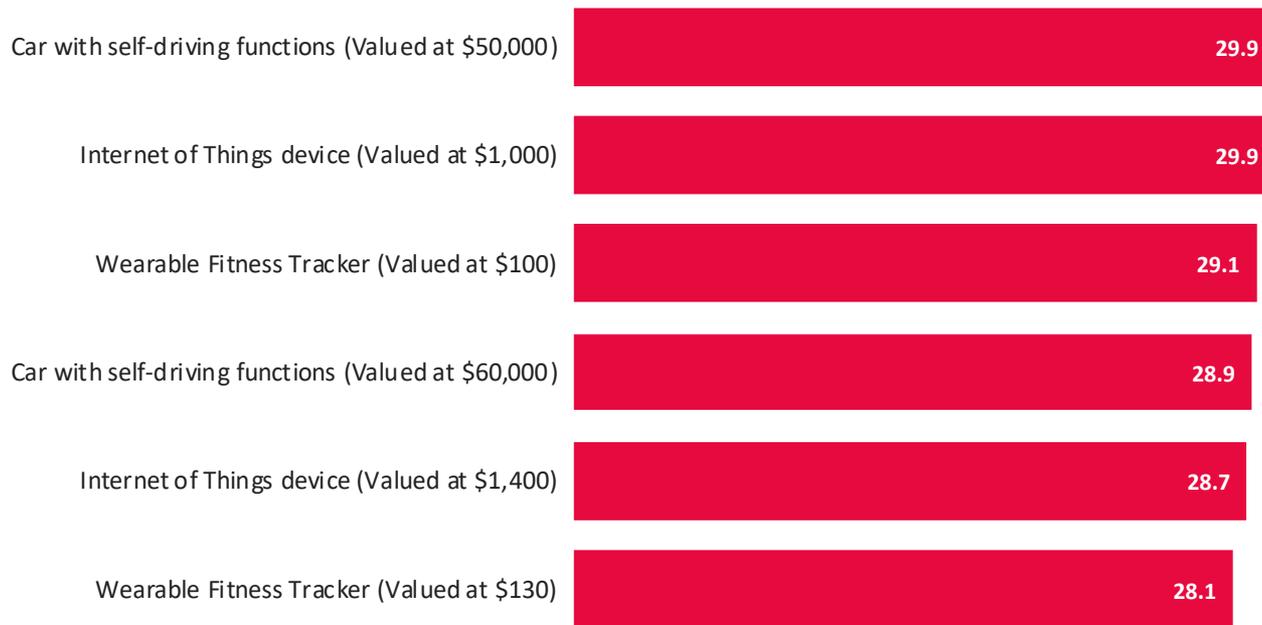


A PREMIUM FOR SECURITY

WILLINGNESS TO PAY PREMIUM FOR BETTER PRODUCT SECURITY ON INTERNET-ENABLED DEVICES

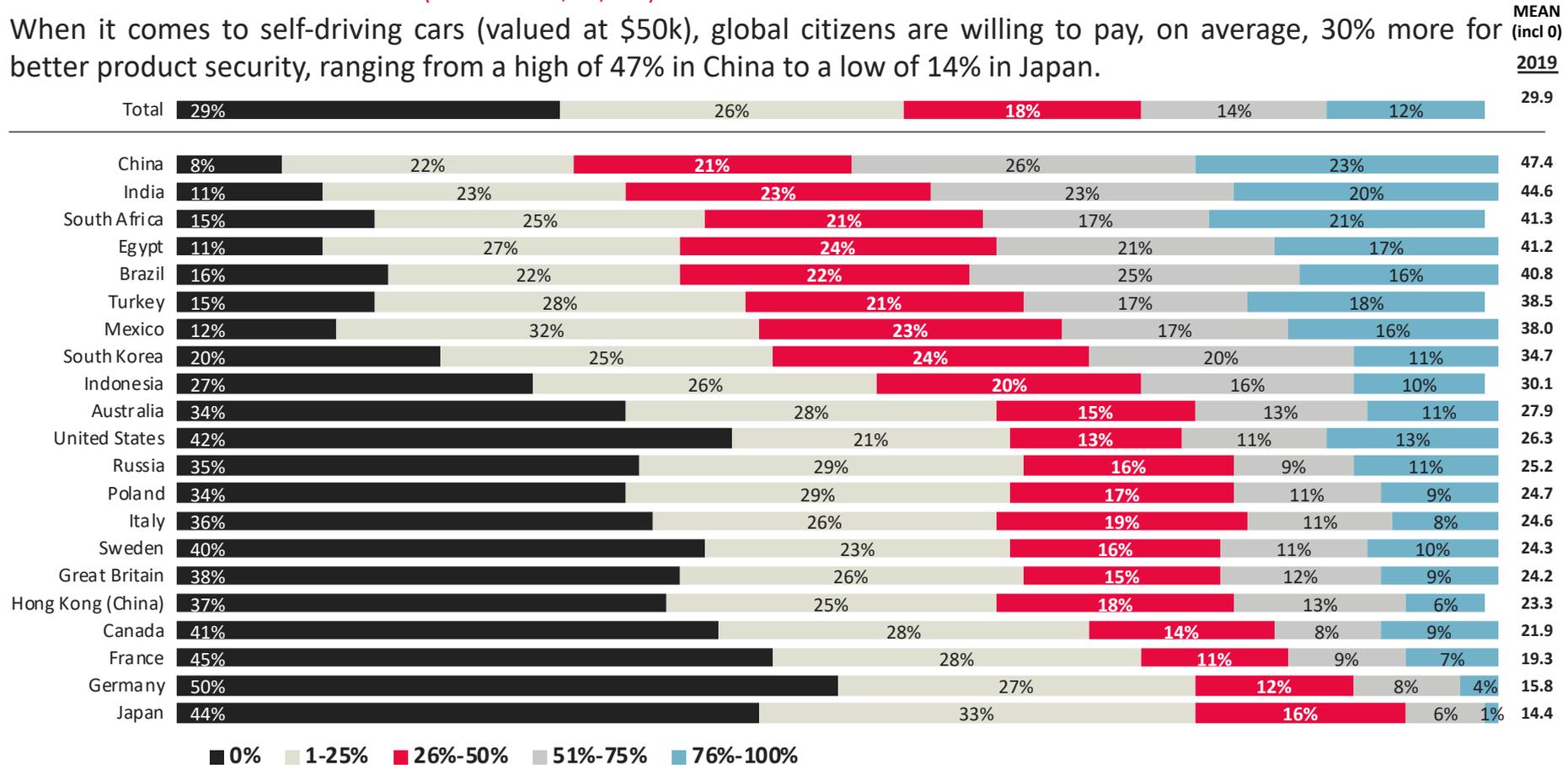
Clearly there is very little variation in the premium consumers are willing to pay for better product security – regardless of the product itself or its pricing, ranging from from 28.1% to 29.9%. The following data also reveal that roughly three in ten aren't willing to pay anything more – higher in developed economies.

Avg Premium Willing to Pay (in %)



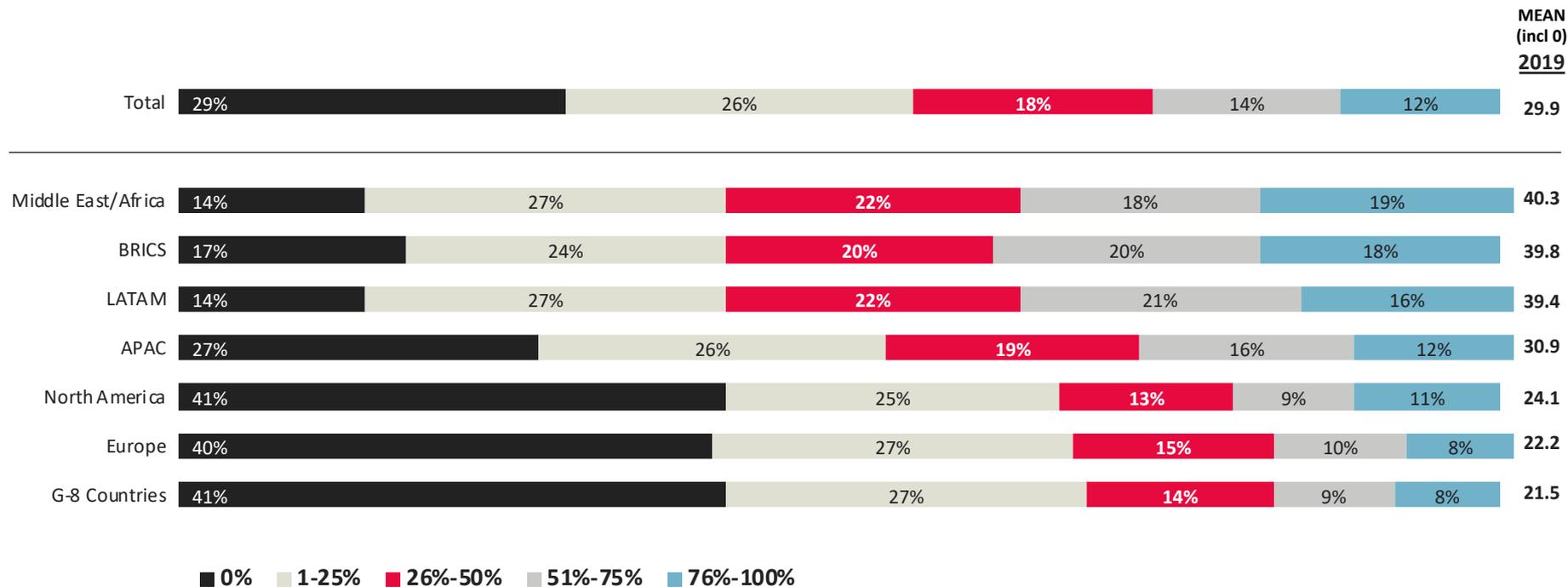
CAR WITH SELF-DRIVING FUNCTIONS (VALUED AT \$50,000)

When it comes to self-driving cars (valued at \$50k), global citizens are willing to pay, on average, 30% more for better product security, ranging from a high of 47% in China to a low of 14% in Japan.



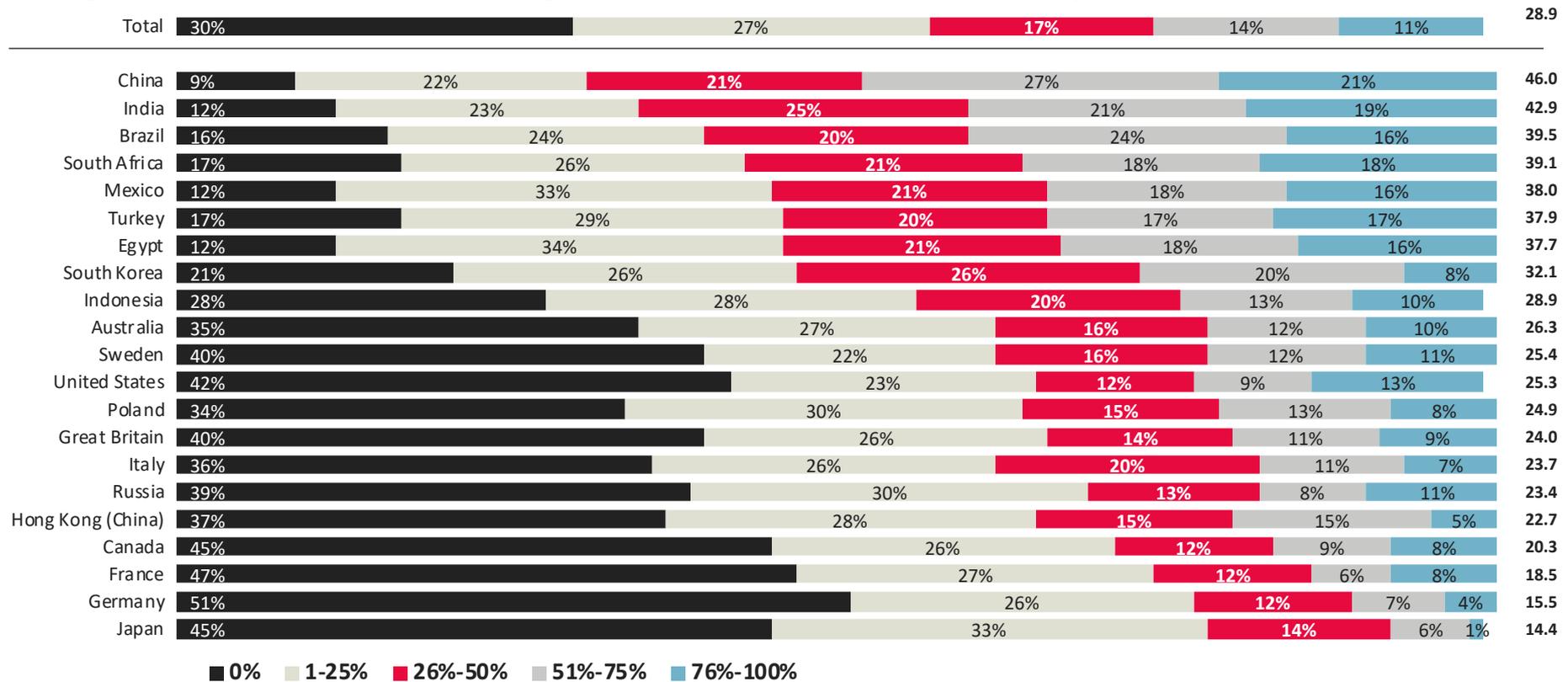
CAR WITH SELF-DRIVING FUNCTIONS (VALUED AT \$50,000)

On balance, citizens in developing economies are willing to pay significantly more for better product security when it comes to self-driving cars (valued at \$50k). Three in ten (29%) aren't willing to pay anything more.



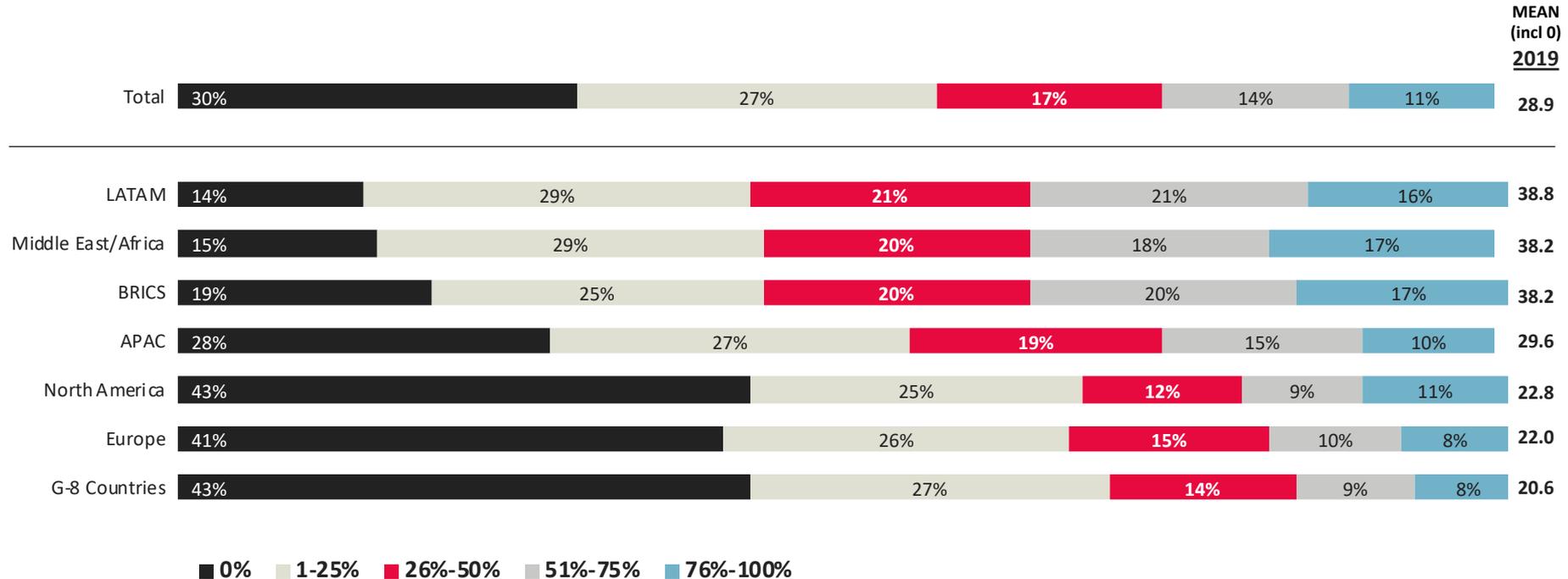
CAR WITH SELF-DRIVING FUNCTIONS (VALUED AT \$60,000)

Similarly, the average global citizen is willing to spend nearly 30% extra for better product security on cars with self-driving functions (valued at \$60k), with highs of 46% in China and lows of 14% in Japan.



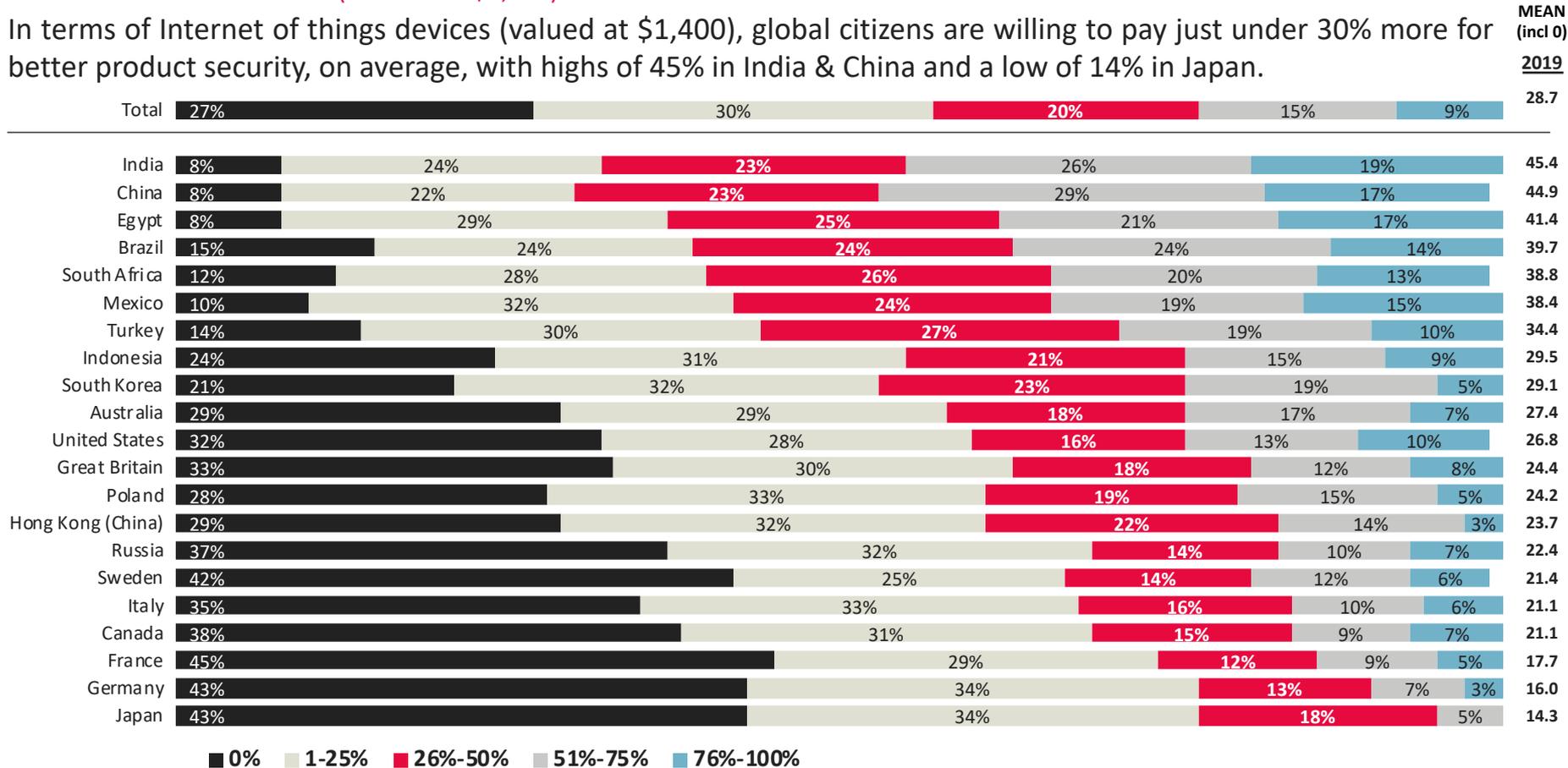
CAR WITH SELF-DRIVING FUNCTIONS (VALUED AT \$60,000)

Once again, citizens in developing economies such as LATAM, BRICS, and the Middle East & Africa are willing to pay a premium of twice as much, compared to those in North America, Europe & the G-8, for better product security for cars with self-driving functions (valued at \$60k). Three in ten (30%) aren't willing to pay anything more.



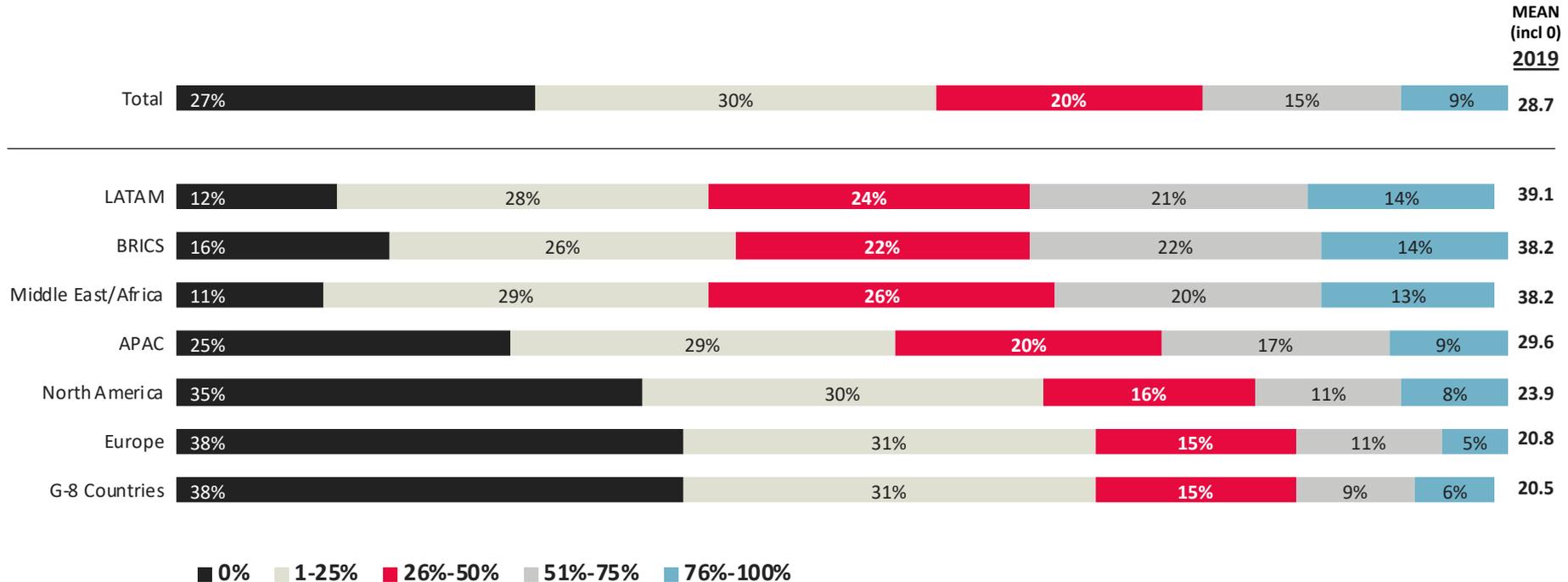
INTERNET OF THINGS DEVICE (VALUED AT \$1,400)

In terms of Internet of things devices (valued at \$1,400), global citizens are willing to pay just under 30% more for better product security, on average, with highs of 45% in India & China and a low of 14% in Japan.



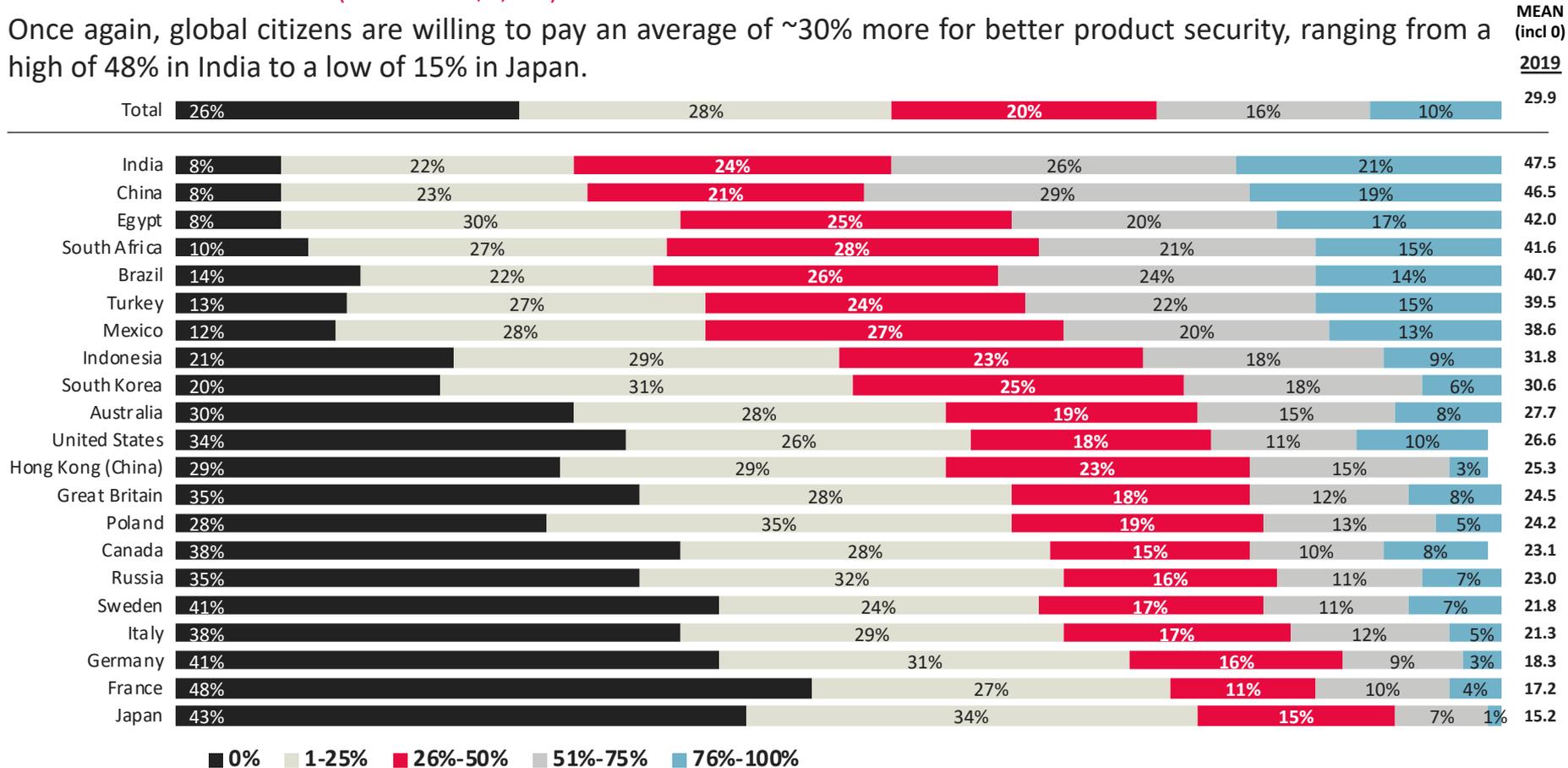
INTERNET OF THINGS DEVICE (VALUED AT \$1,400)

Citizens in developing economies continue to express a willingness to pay about twice as much for better product security, compared to those in more developed economies. Three in ten (27%) aren't willing to pay anything more.



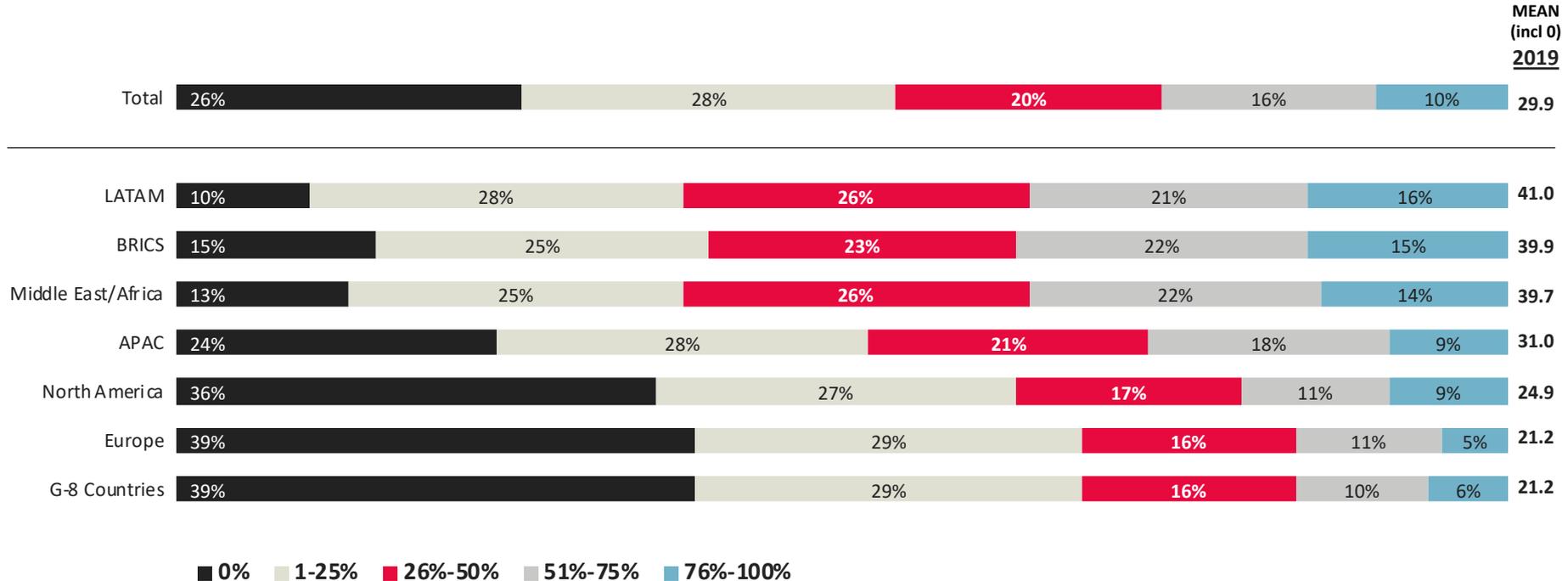
INTERNET OF THINGS DEVICE (VALUED AT \$1,000)

Once again, global citizens are willing to pay an average of ~30% more for better product security, ranging from a high of 48% in India to a low of 15% in Japan.



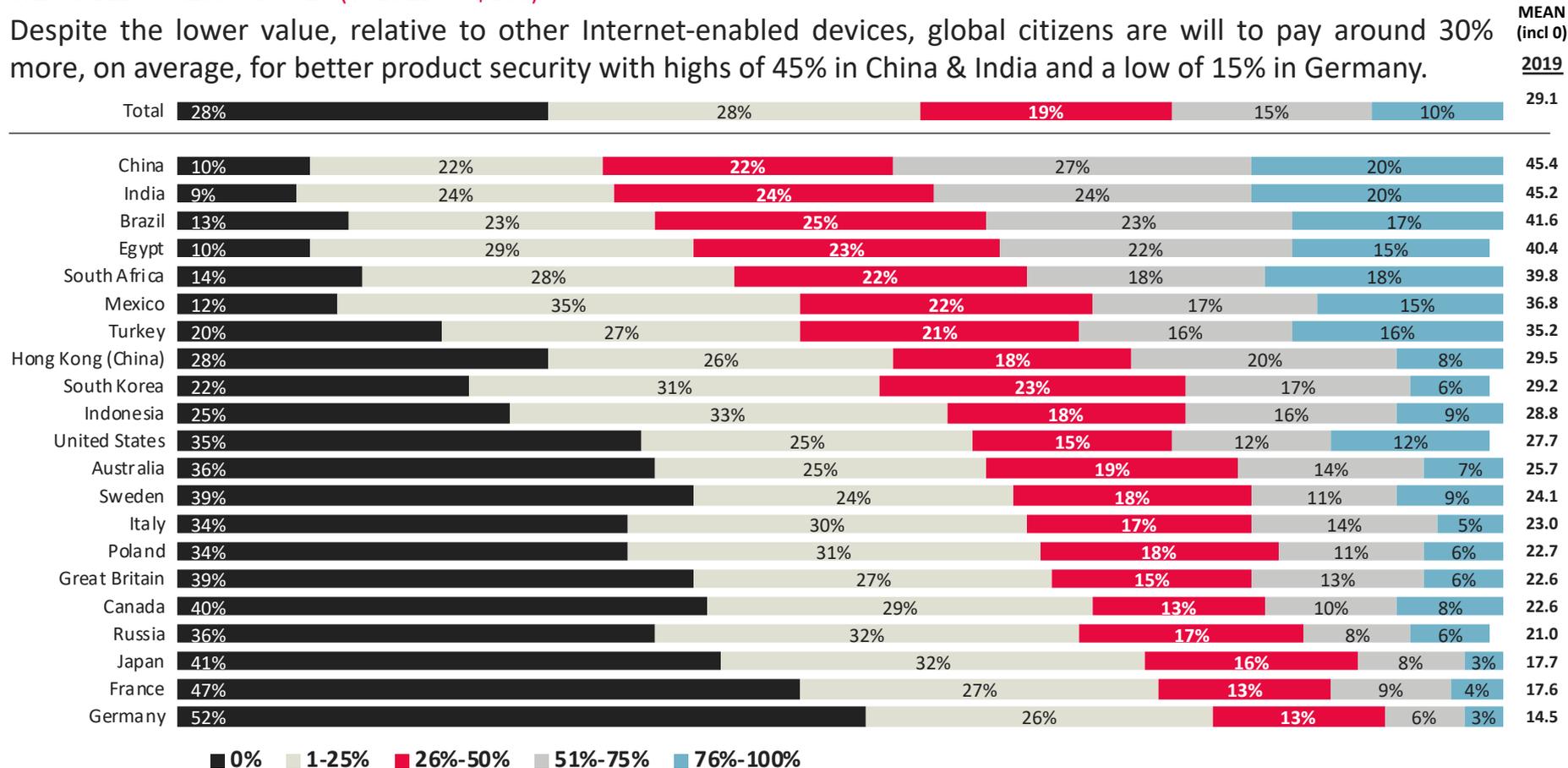
INTERNET OF THINGS DEVICE (VALUED AT \$1,000)

Consistent with other metrics, citizens in developing economies are willing to pay nearly twice as much for better product security on Internet of things devices (valued \$1k) compared to those in the developed world. One quarter (26%) aren't willing to pay anything more.



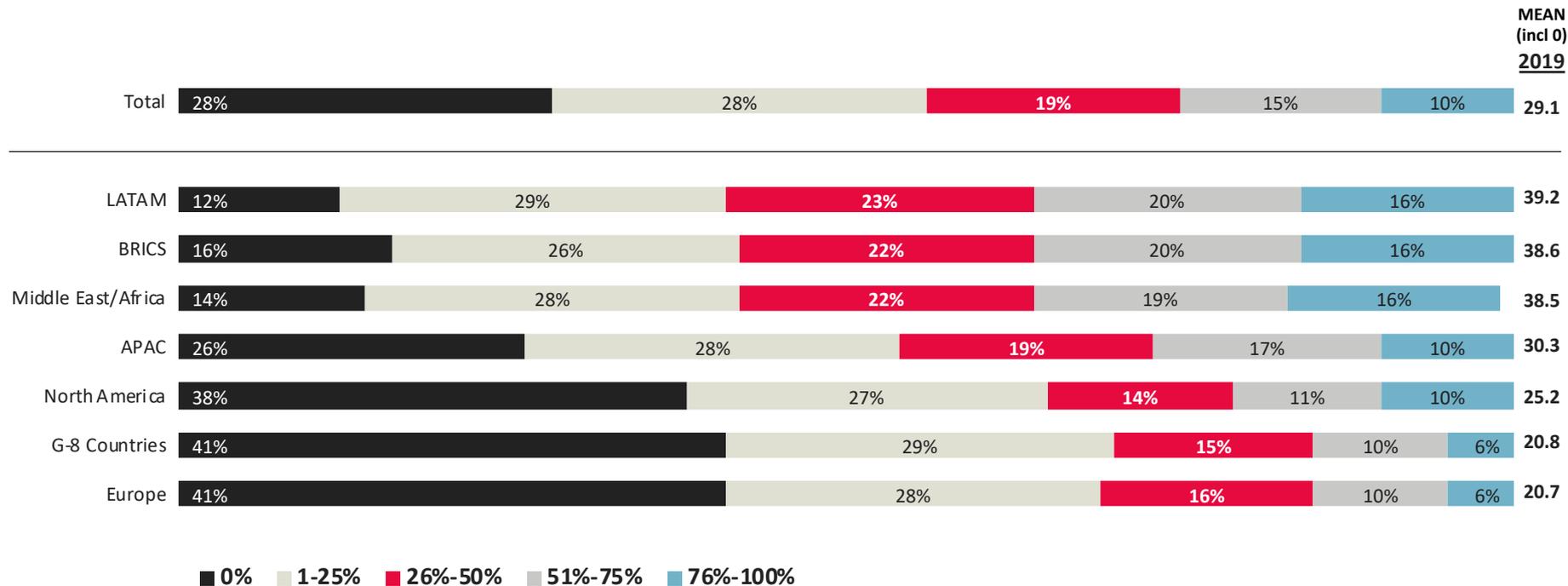
WEARABLE FITNESS TRACKER (VALUED AT \$100)

Despite the lower value, relative to other Internet-enabled devices, global citizens are will to pay around 30% more, on average, for better product security with highs of 45% in China & India and a low of 15% in Germany.



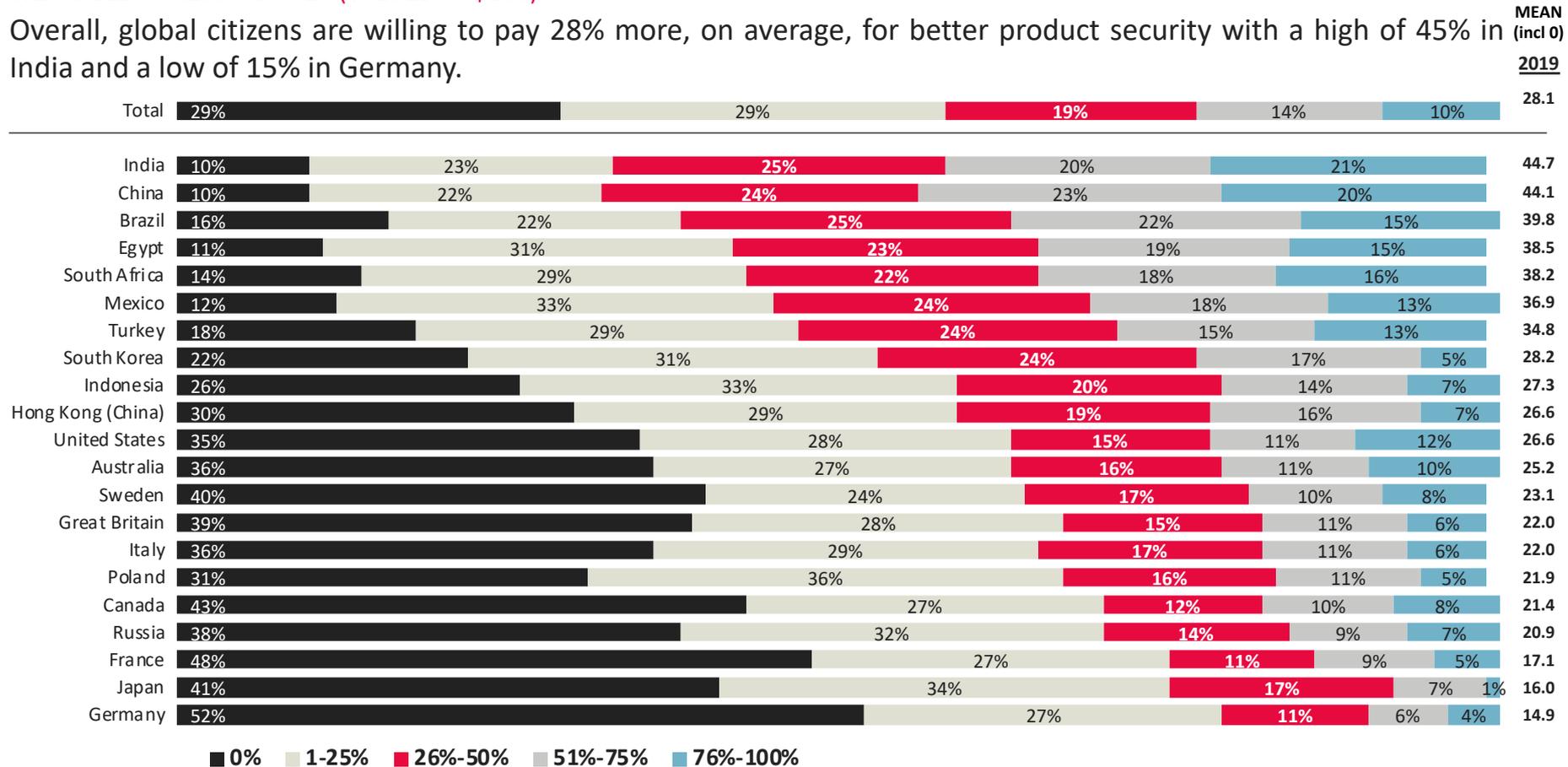
WEARABLE FITNESS TRACKER (VALUED AT \$100)

Similar trends prevail when it comes to wearable fitness trackers (valued at \$100), with less developed economies willing to pay nearly twice as much for better product security, on average. Three in ten (28%) aren't willing to pay anything more.



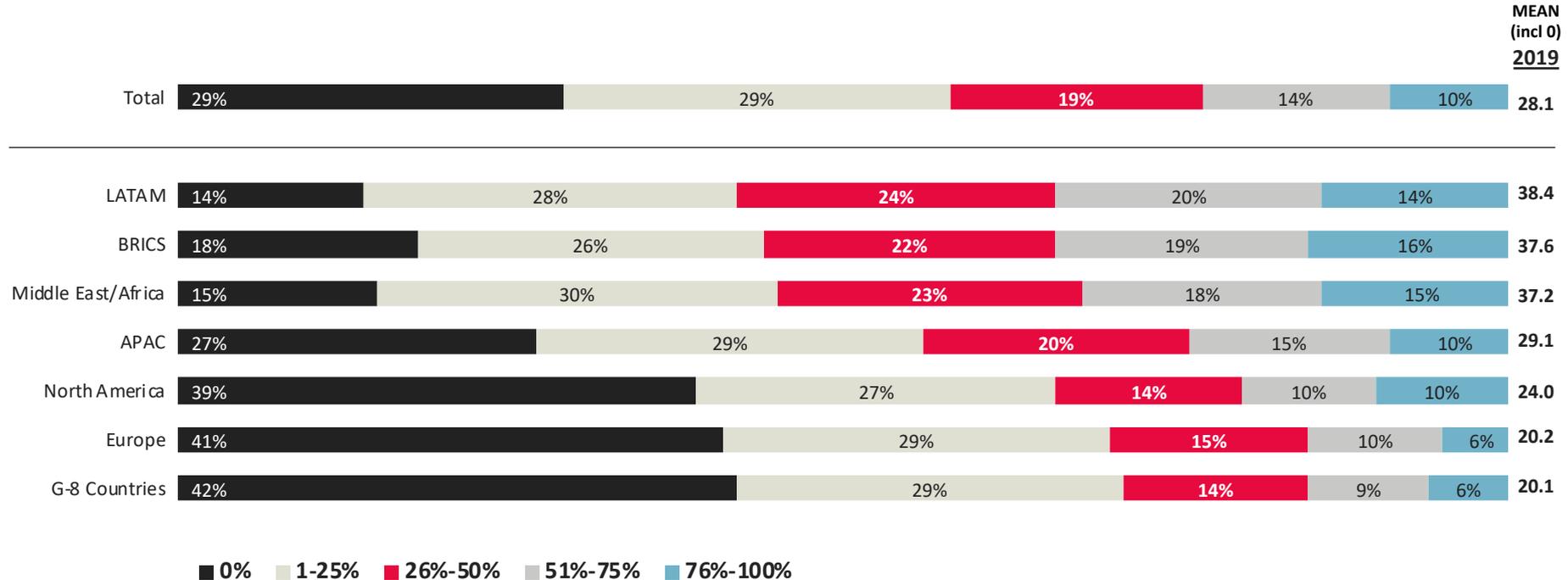
WEARABLE FITNESS TRACKER (VALUED AT \$130)

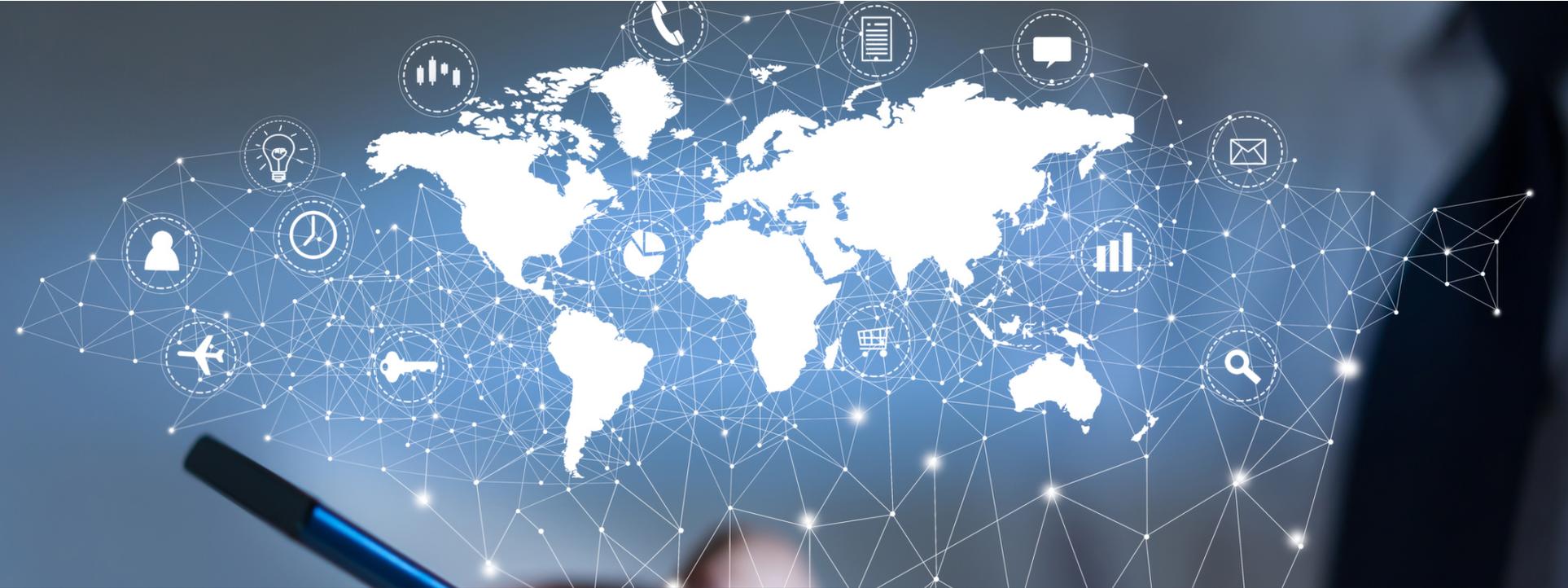
Overall, global citizens are willing to pay 28% more, on average, for better product security with a high of 45% in India and a low of 15% in Germany.



WEARABLE FITNESS TRACKER (VALUED AT \$130)

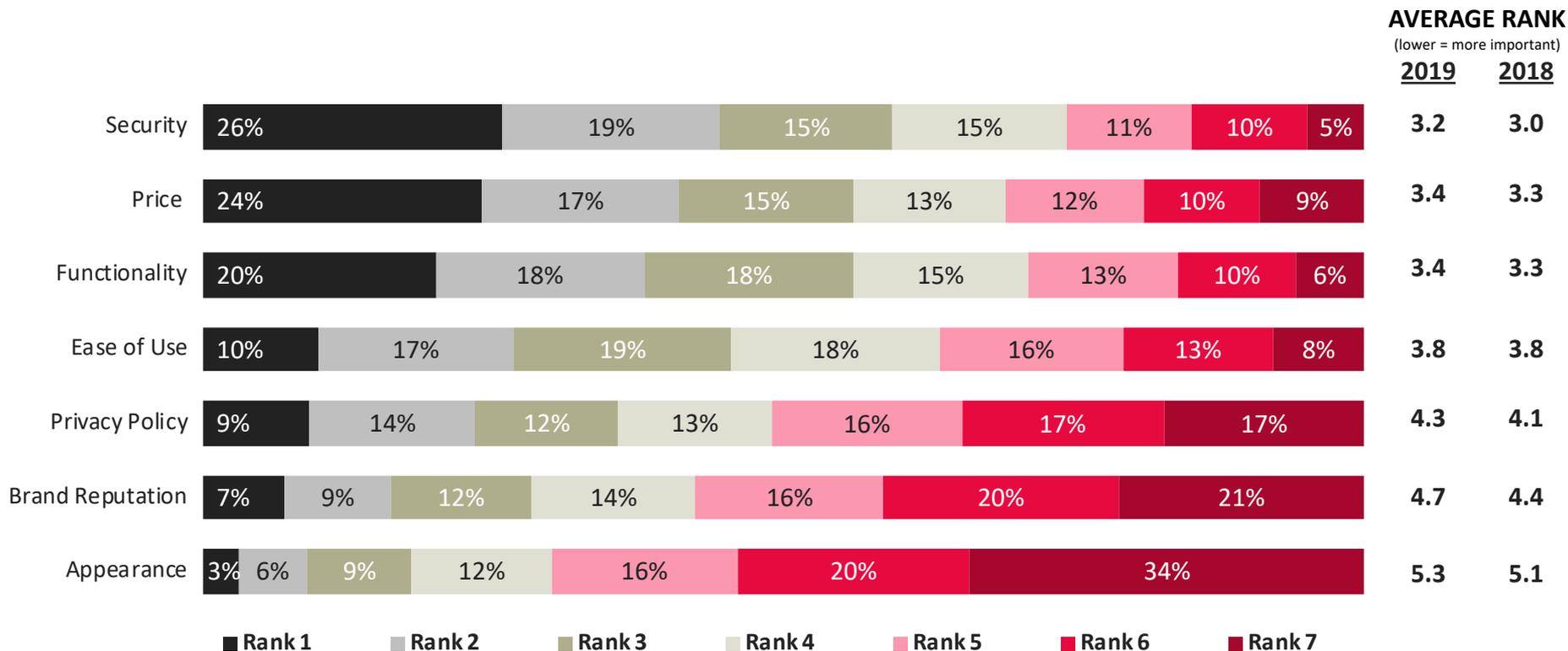
There is a greater appetite to pay more for better product security on wearable fitness trackers (valued at \$130) in developing markets such as LATAM, BRICS, the Middle East & Africa. Three in ten (29%) aren't willing to pay anything more.





FACTORS INFLUENCING BUYING BEHAVIOUR

Overall, security ranks as the top factor influencing the decision to buy an application or connected device, followed closely by price & functionality.



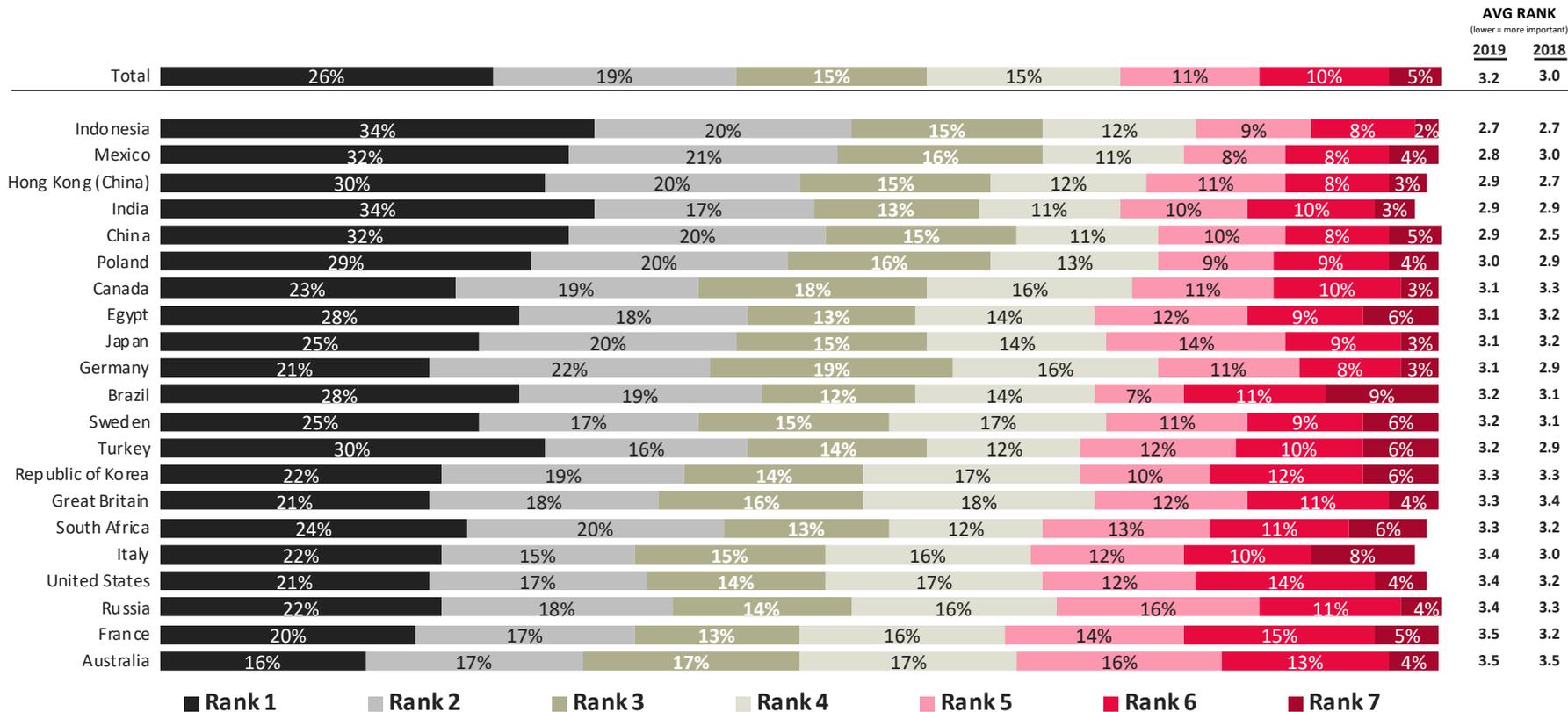
Factors Influencing Purchase Decision - % Ranked 1st by Regional Economy

Those living in developed economies, such as North America, Europe & the G-8, tend to place a greater emphasis on price, when buying applications or Internet-connected devices. Conversely, security ranks higher among those living in developing economies such as LATAM, BRICS, the Middle East & Africa.

	REGIONS							
	Total	North America	LATAM	Europe	APAC	G-8 Countries	BRICS	Middle East/Africa
<i>Base: All Respondents</i>	<i>n=21203</i>	<i>n=2001</i>	<i>n=2176</i>	<i>n=6009</i>	<i>n=8011</i>	<i>n=8009</i>	<i>n=5169</i>	<i>n=3006</i>
Security	26%	22%	30%	23%	27%	22%	28%	27%
Price	24%	33%	21%	27%	23%	30%	19%	19%
Functionality	20%	20%	18%	22%	20%	21%	21%	19%
Ease of Use	10%	9%	8%	12%	11%	11%	10%	7%
Privacy Policy	9%	6%	11%	8%	9%	7%	10%	12%
Brand Reputation	7%	8%	8%	5%	7%	6%	9%	11%
Appearance	3%	2%	4%	3%	3%	3%	3%	5%

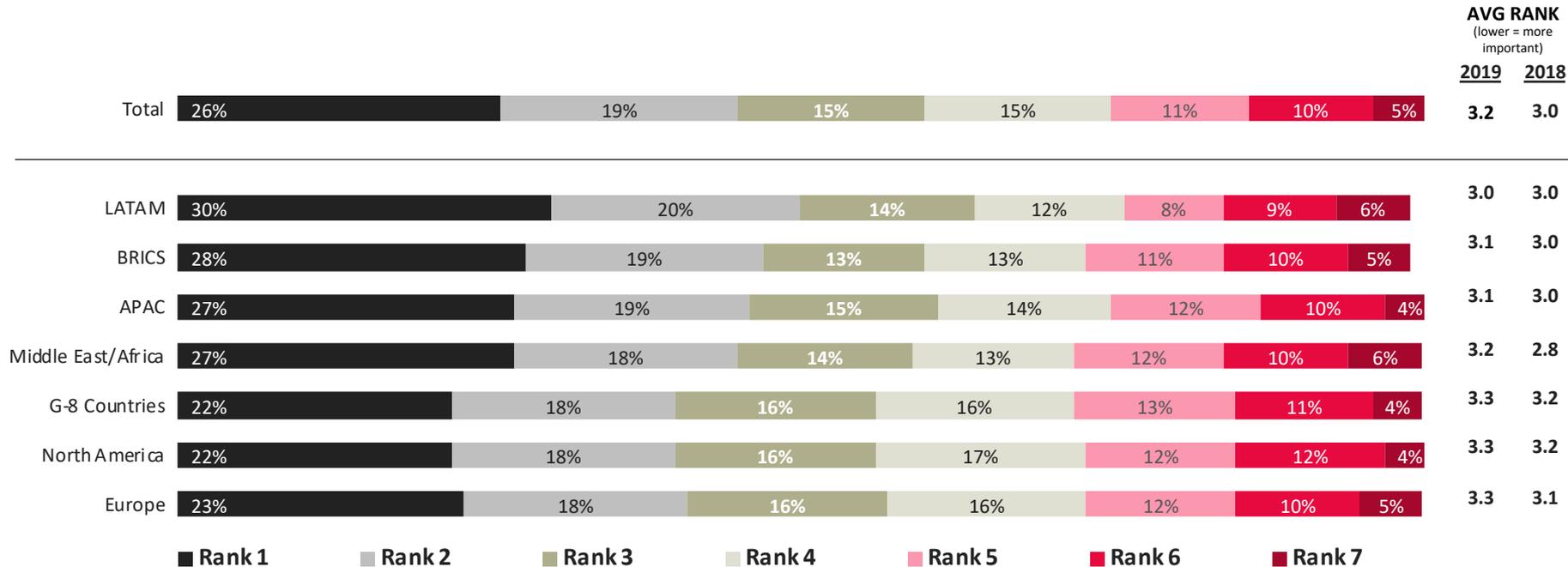
SECURITY

Security rankings are highest in Indonesia and lowest in France & Australia. The French, Italians, Turks & Chinese are particularly less likely to view security as being important, compared to 2018.



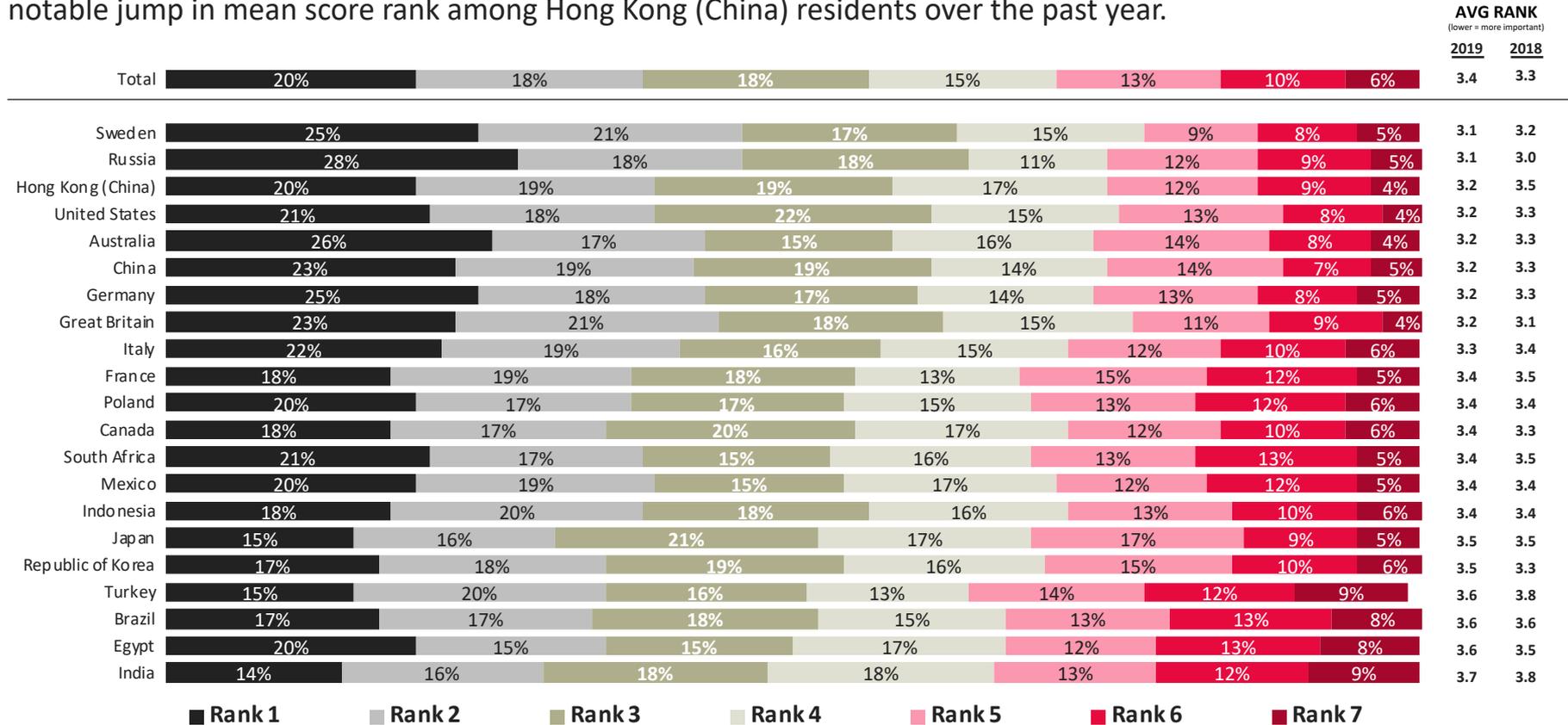
SECURITY

Mean rankings vary little by region, though there is a little more importance placed on security among those in developing economies.



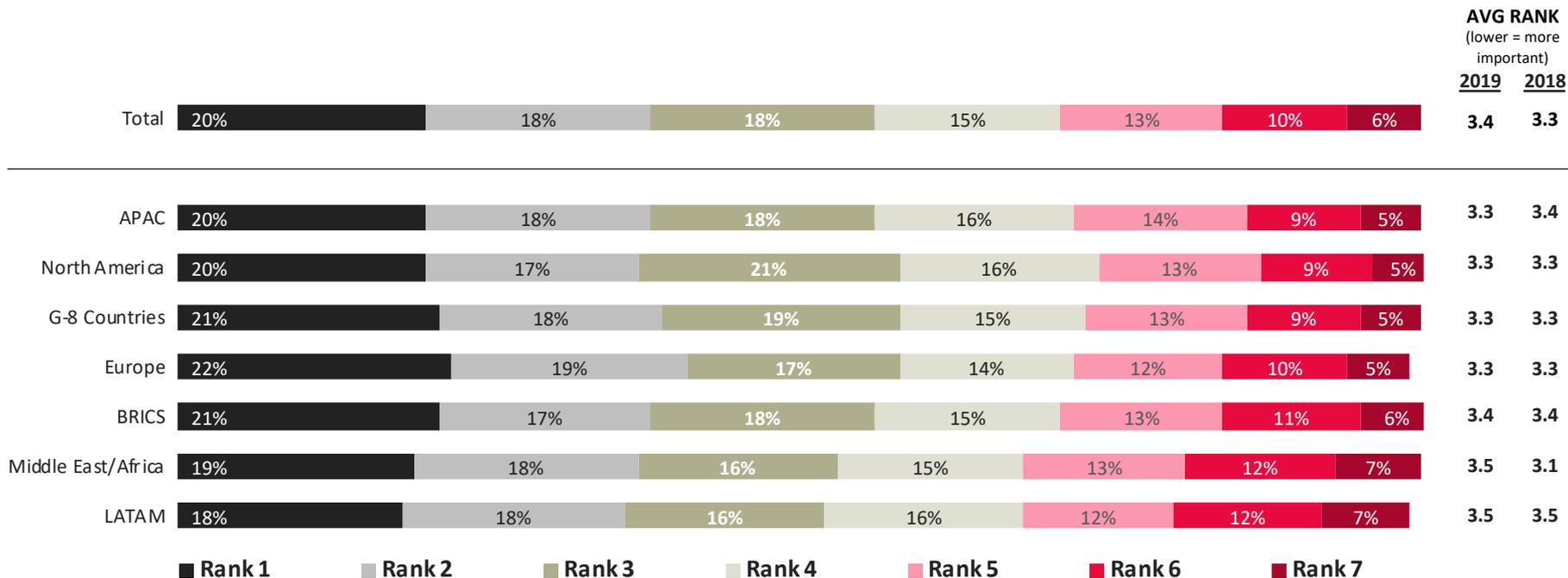
FUNCTIONALITY

In terms of functionality, importance rankings are highest in Sweden & Russia and lowest in India. There has been a notable jump in mean score rank among Hong Kong (China) residents over the past year.



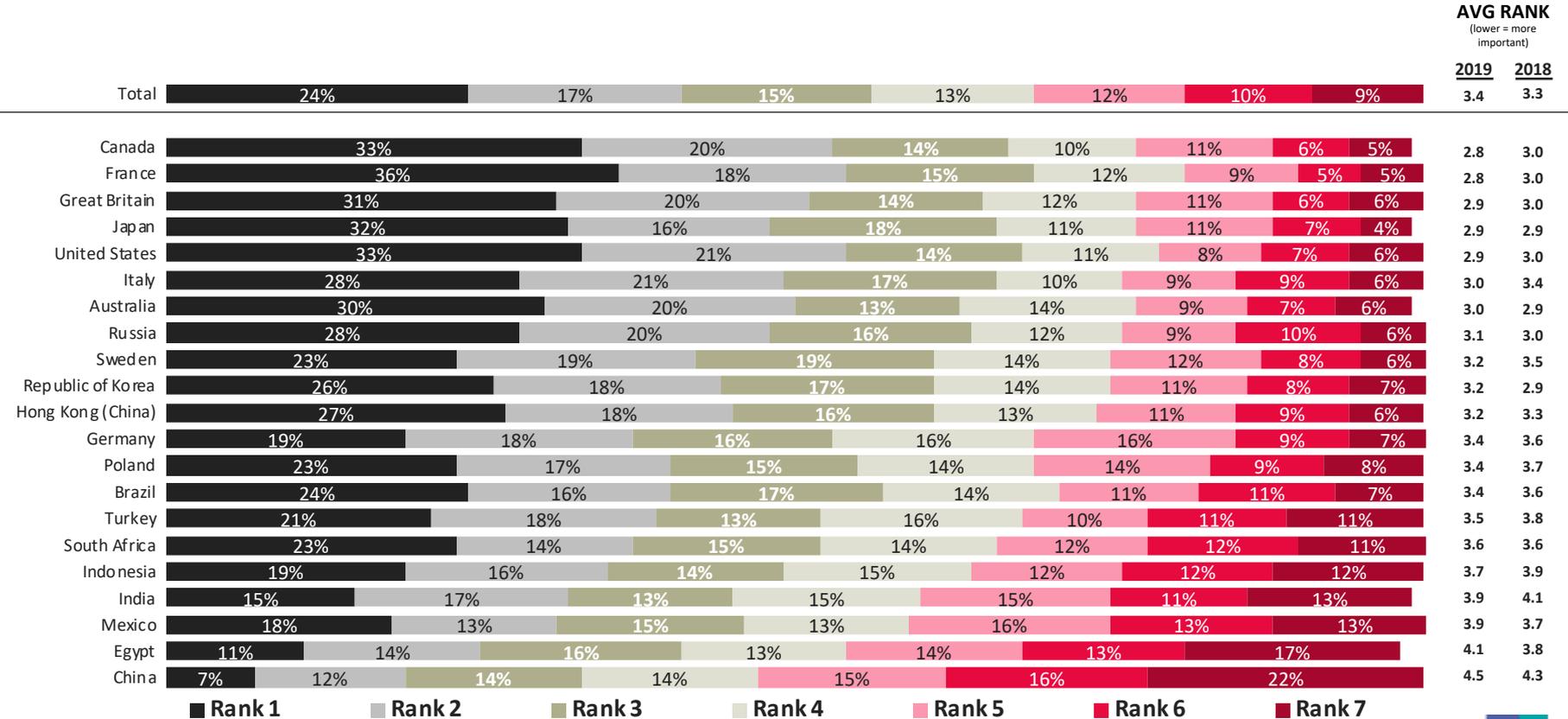
FUNCTIONALITY

On balance, functionality importance scores are down somewhat over the past year, with most of the drop occurring in the Middle Eastern & African economies.



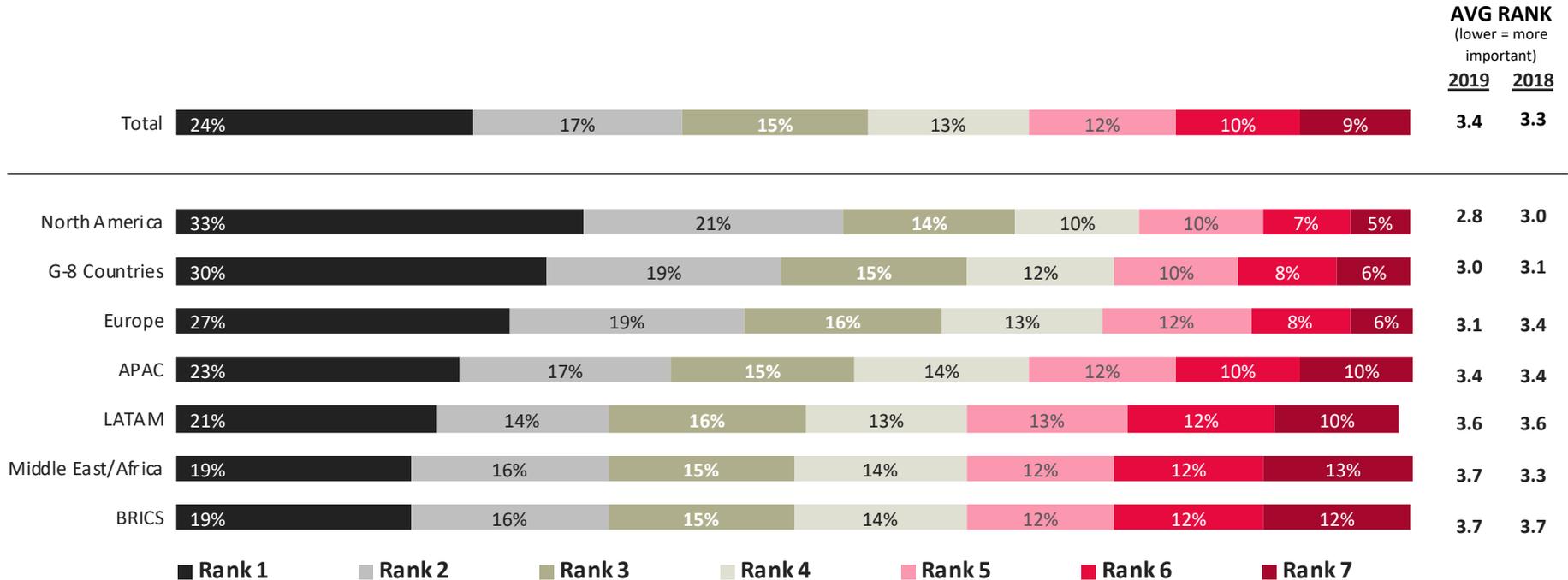
PRICE

Average importance rankings for price range from a high of 2.8 in Canada & France to a low of 4.5 in China.



PRICE

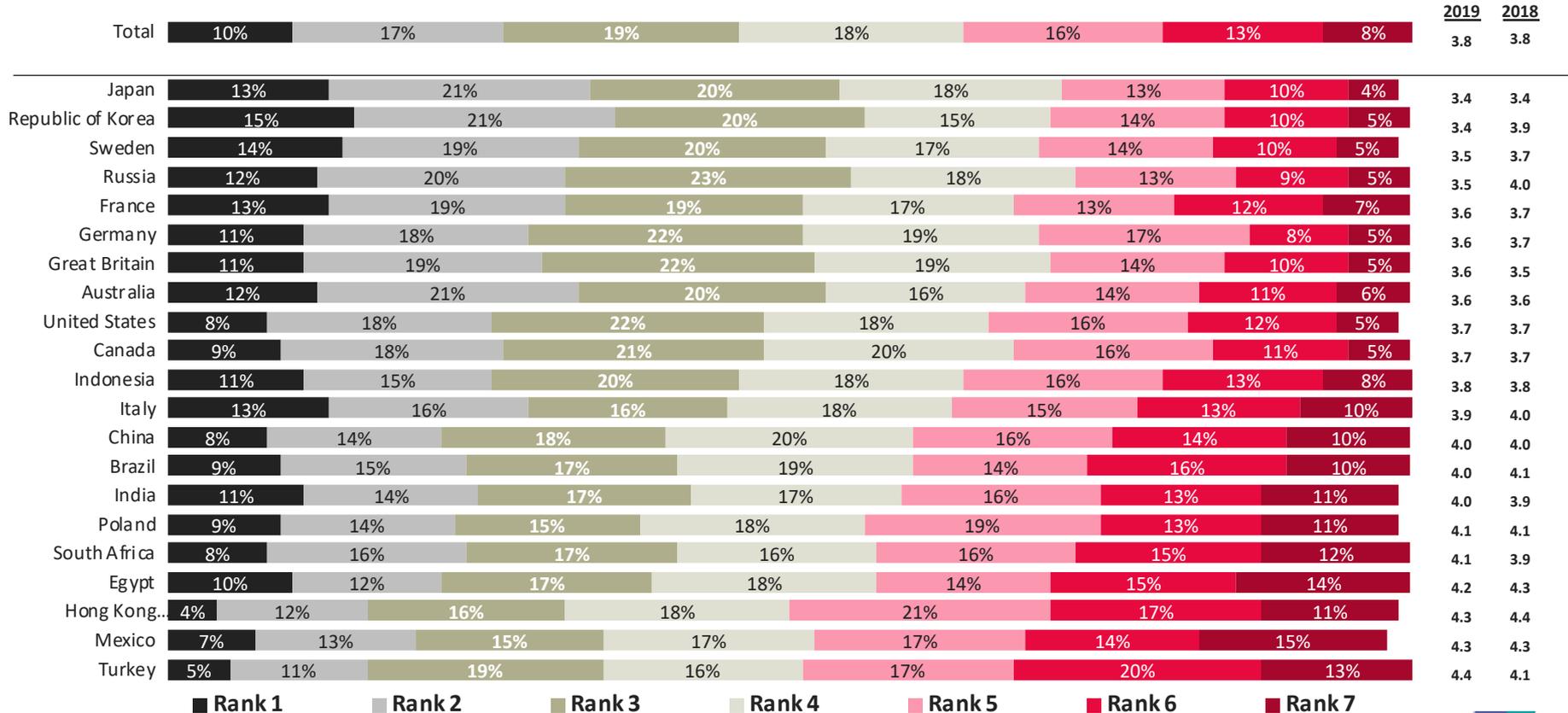
Since 2018, average importance ratings for price have dropped considerably in the Middle East & Africa, while increasing in Europe, North America & the G-8 more generally over the same period.



EASE OF USE

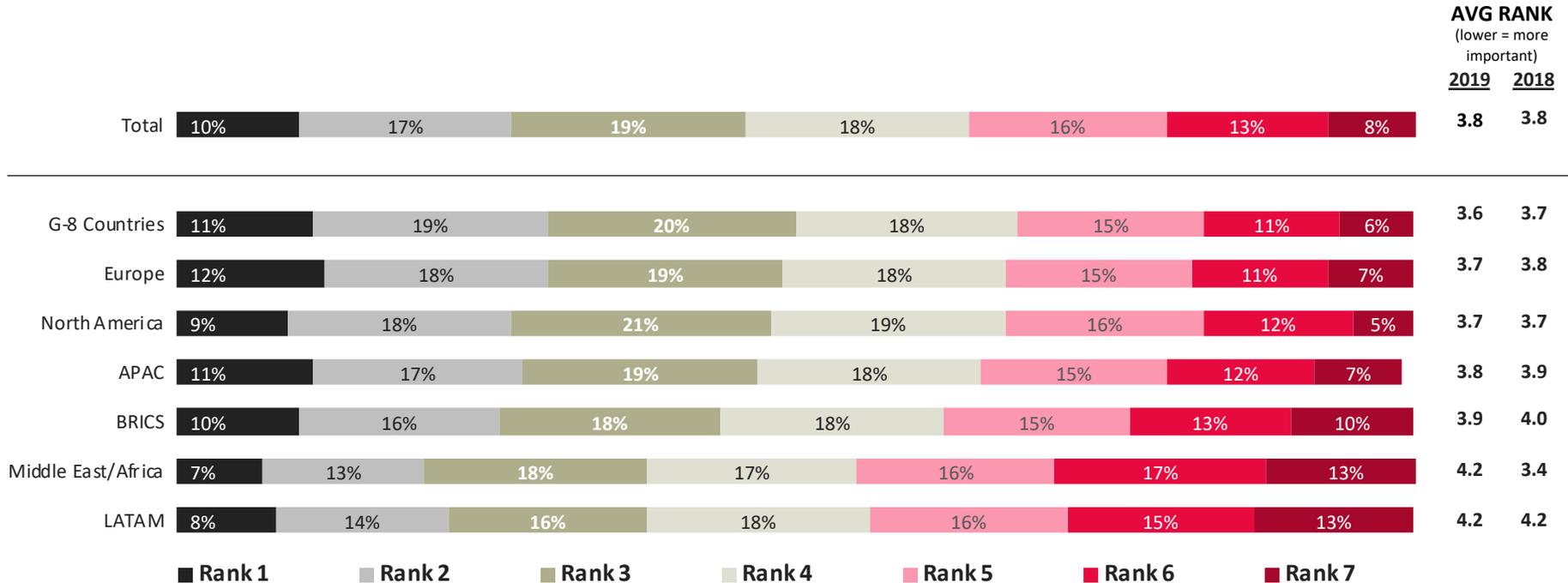
Ease of use importance rankings are highest in the Republic of Korea & Japan, lowest in Turkey, on average.

AVG RANK
(lower = more important)



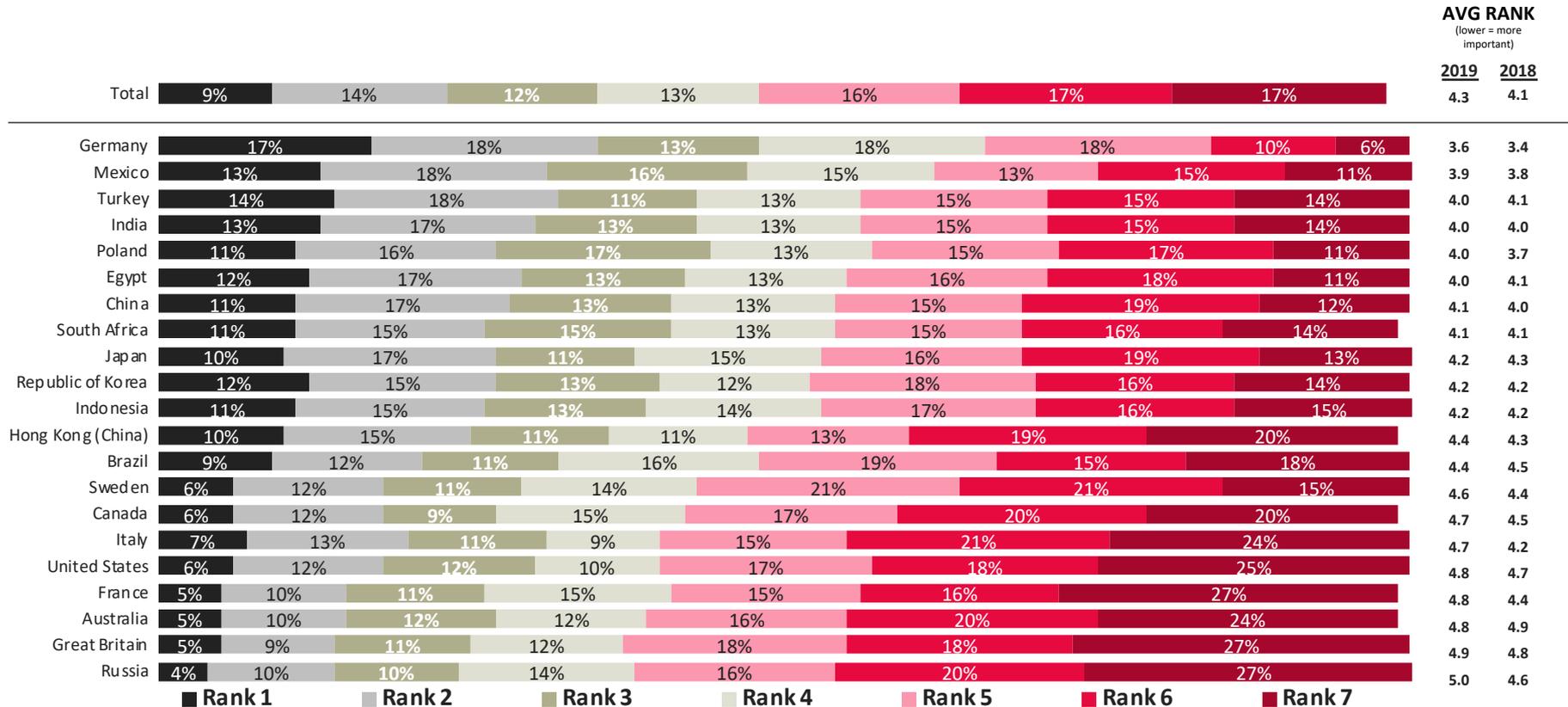
EASE OF USE

Ease of use rankings have dropped significantly in the Middle East & Africa, over the past year.



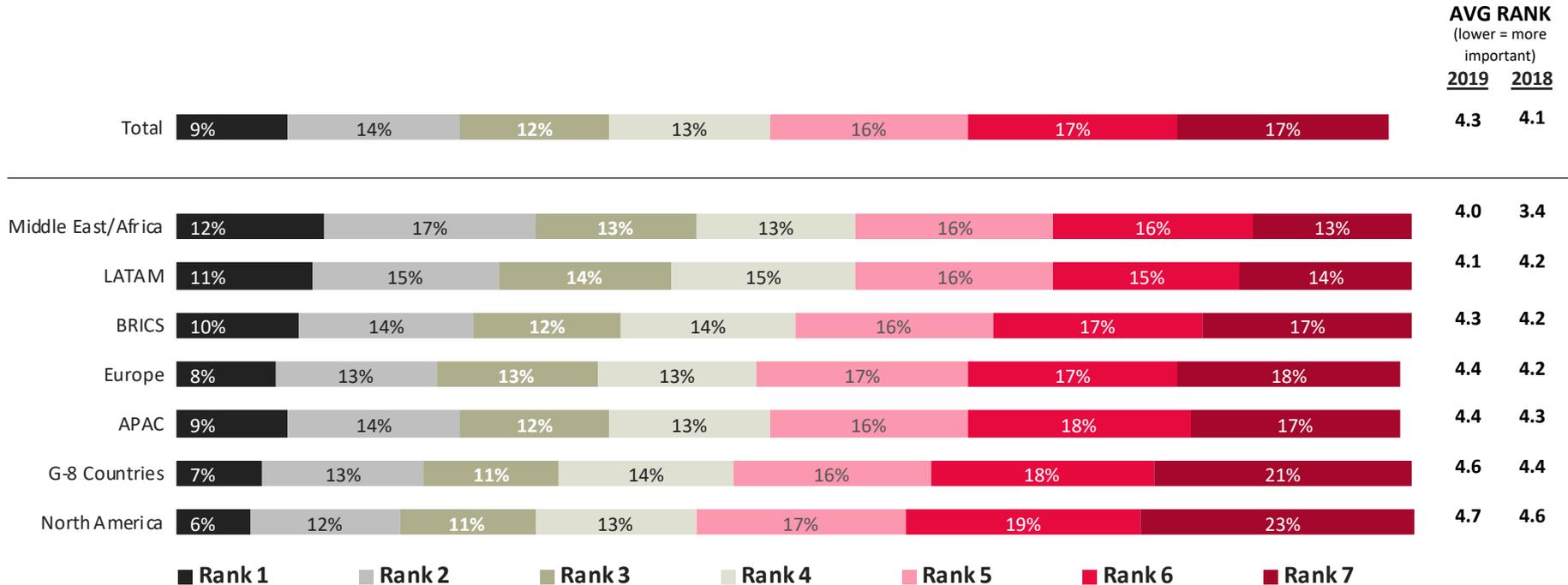
PRIVACY POLICY

When it comes to buying an application or Internet-connected device, global citizens rank privacy policy a little lower on the importance scale, with Italy, France & Russia registering sizeable year-over-year drops.



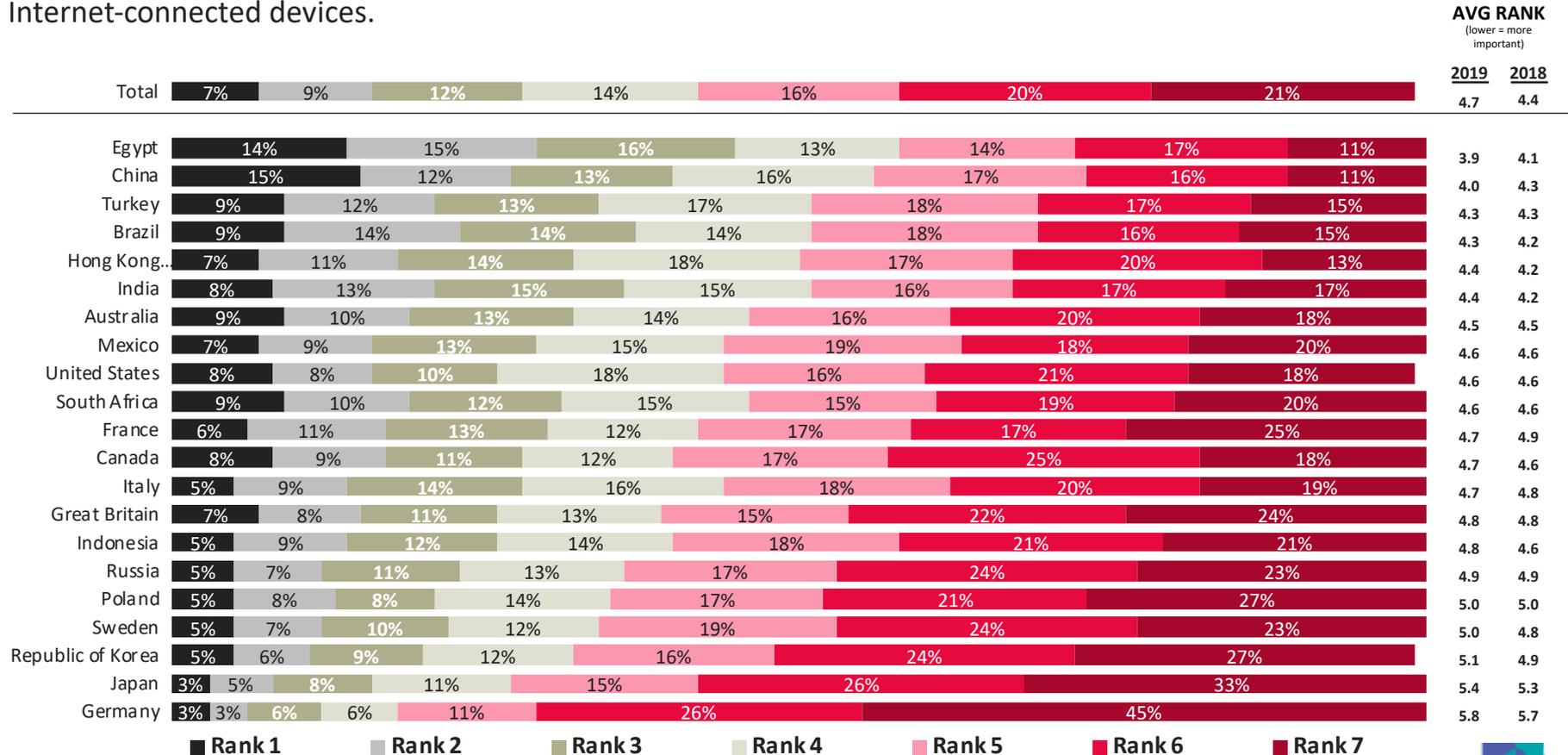
PRIVACY POLICY

In each region, mean scores have decreased over the past year, with the Middle Eastern & African economies registering the greatest declines, year over year.



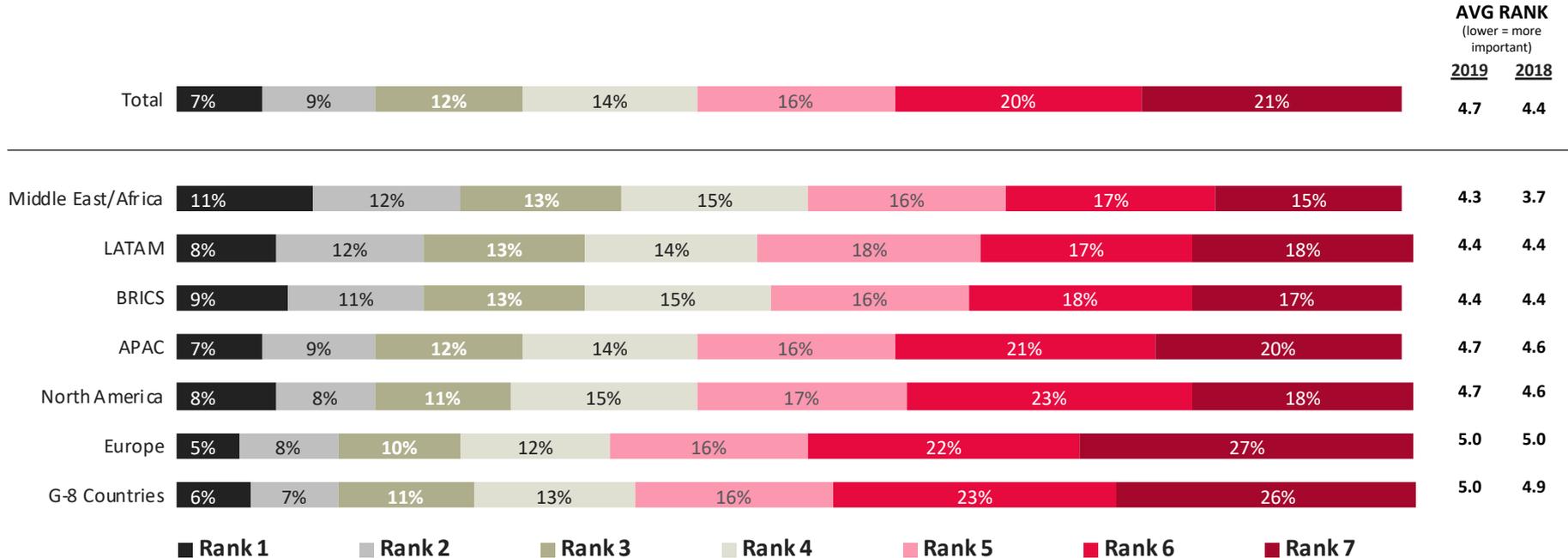
BRAND REPUTATION

Few (7%) rank brand reputation as the most important factor influencing their decision to buy applications or Internet-connected devices.



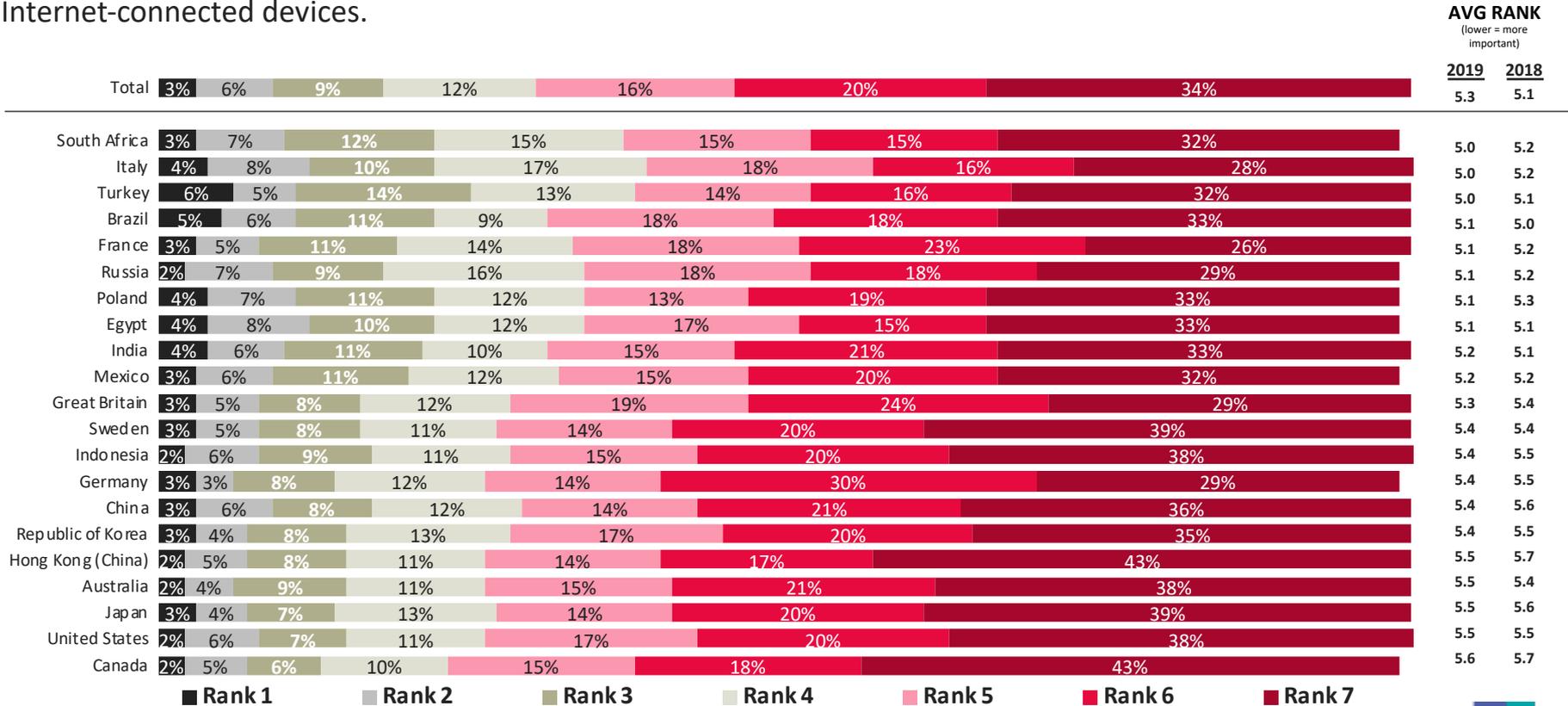
BRAND REPUTATION

Mean scores are down, year over year, across all regions.



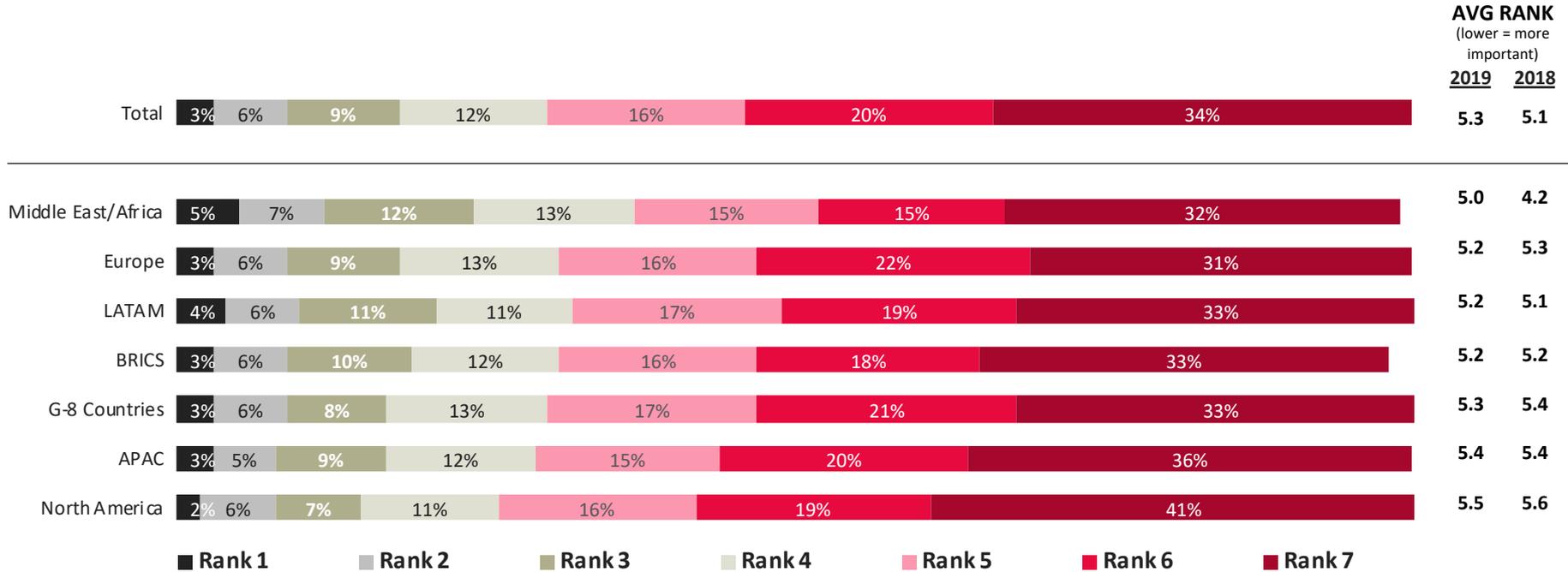
APPEARANCE

On average, appearance ranks the lowest out of all attributes surveyed (mean score: 5.3). In fact, just three percent (3%) of global citizens rank this as the *most important* factor influencing their decision to buy applications or Internet-connected devices.



APPEARANCE

Across all regions, appearance is the lowest ranked attribute. There has been a significant decline in mean ratings in the Middle East & Africa, specifically, over the past year.



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