

# 2018 Digital identity: Consumer confidence report

Survey shows Americans  
demand more trust, proof  
of identity online

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Analytics

Sponsored by:  
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While social networks and digital commerce platforms connect strangers from around the world, security and trust of online information and identities have become a central issue in society, business and politics. From high-profile data breaches like Equifax and Target, to Facebook's Cambridge Analytica data privacy scandal, organizations are increasingly scrutinized for their ability to verify their users' identity and protect their information. Now more than ever before, consumers are cautious when it comes to online interactions and, as a result, companies have to work harder to build trust and reputation with their customers, especially in digital channels. With the volume of online transactions and communications showing no signs of decrease, consumers will proactively seek out businesses they can trust.

To address this, Mitek commissioned a study by Zogby Analytics of 1,176 digital users in the U.S. looking at their feelings and experiences around trust and identity. In this report, we explore digital consumer sentiments around the role of trust in online interactions, the prevalence of fake accounts and the types of actions and information that help users feel safe doing business online.



### Convenience takes a back seat to online safety

In today's era of instant gratification, consumers often make convenience a primary factor in their personal and work decisions, but when it comes to their identity, the opposite is true. They are willing to take extra precautions to make sure their personal information is safe, and that they can trust who they are doing business with – as long as it doesn't become too inconvenient. Because of this fine line, digital identity is no longer a nice-to-have, but a need-to-have.

- **85%** of US consumers are more likely to interact with websites that had a "seal of approval" indicating that they verified the identity of all users vs. sites that did not

### Consumers hold companies accountable; they take online fraud seriously and stop doing business when faced with deceit

Not surprisingly, the survey found that trust is a top concern among today's digital users, and virtually all users said that trust was essential for them to participate in online activities with people and businesses.

- **49%** of respondents that have been deceived online never did business or interacted with that business/individual again
- **82%** are concerned that people on websites that connect users with individuals offering goods or services aren't being honest about who they are when it comes to doing business online
- **85%** are concerned that if something goes wrong with a transaction, they are on their own to take care of it

### Consumers expect online businesses to have the right tools for verifying identity online

While the concern for online trust is real, consumers still expect online businesses to have the right tools to let them complete their transactions in the same channel.

- **94%** said being able to complete their transaction online and not by snail mail or at a physical location is important, while 62% say it's very important
- **67%** said they would be more likely to do business using a website that could guarantee that a person is who they claim to be

## Key takeaways

**While consumers say verification of online businesses is paramount for all digital interactions, gig economy is held to an even higher standard**

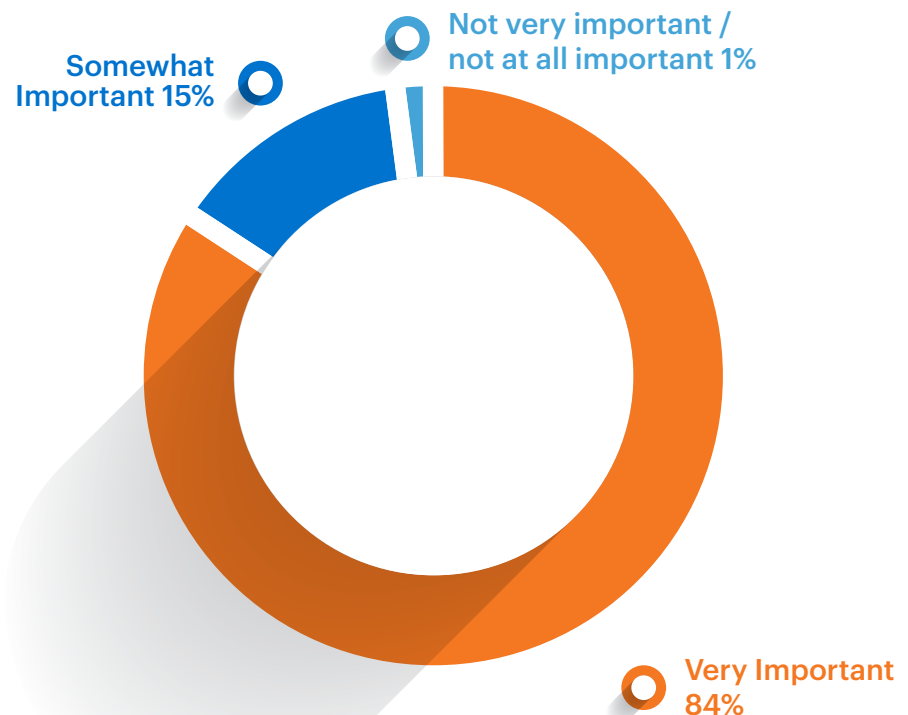
Consumers want to know who they are doing business with, especially when it comes to gig economy services that bring individuals into their home.

- **91%** say they would give preference to companies that verify the identity of in-home service providers
- **82%** of respondents are concerned that e-commerce websites aren't doing enough to verify that users are who they claim to be

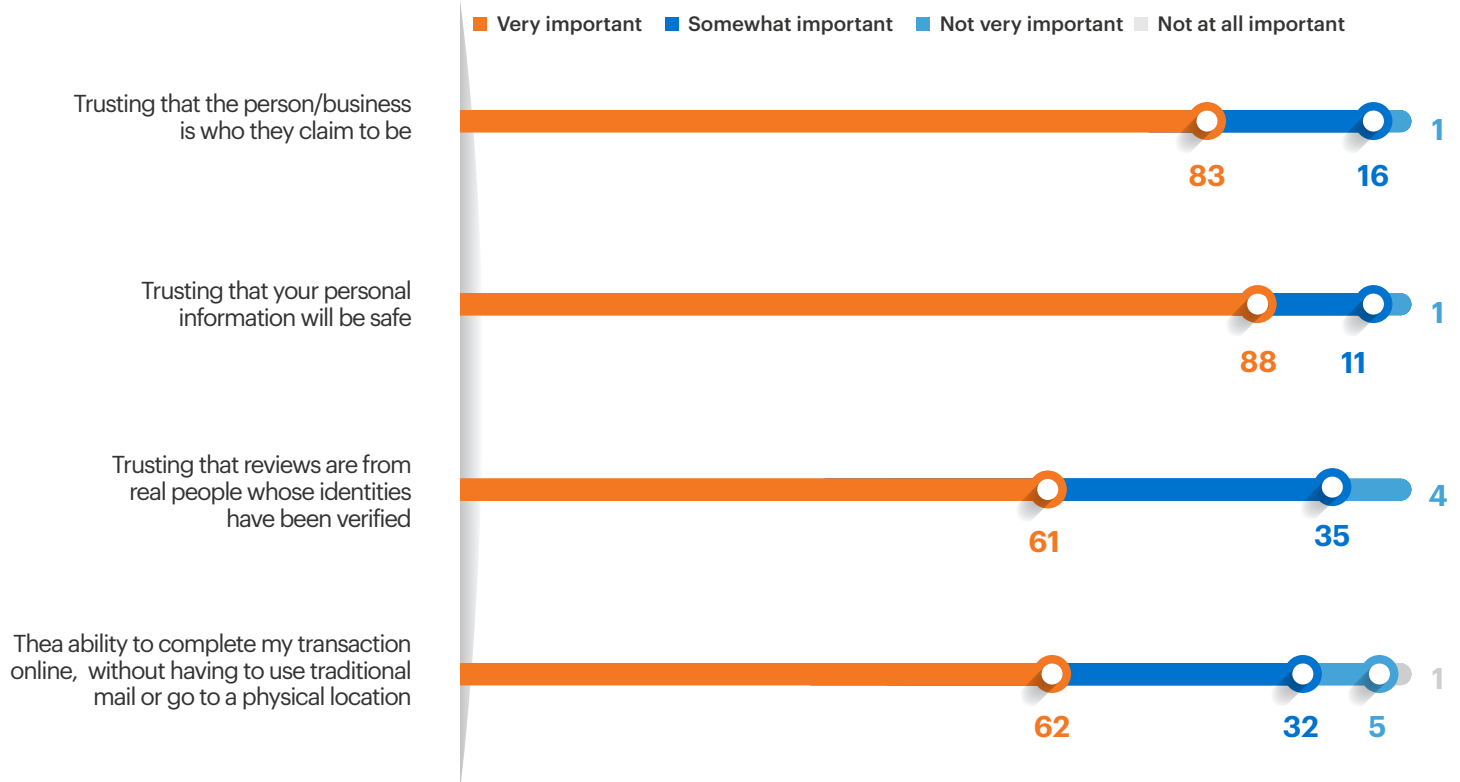
Despite these reservations, digital users remain highly engaged and optimistic. Open to constructive solutions, a large majority prefers to do business with companies that take extra steps to verify the identities of their users, workers and/or reviewers.

## Survey findings: Online trust is a priority for consumers

**In your opinion how important is the feeling of trust when it comes to online participation?**



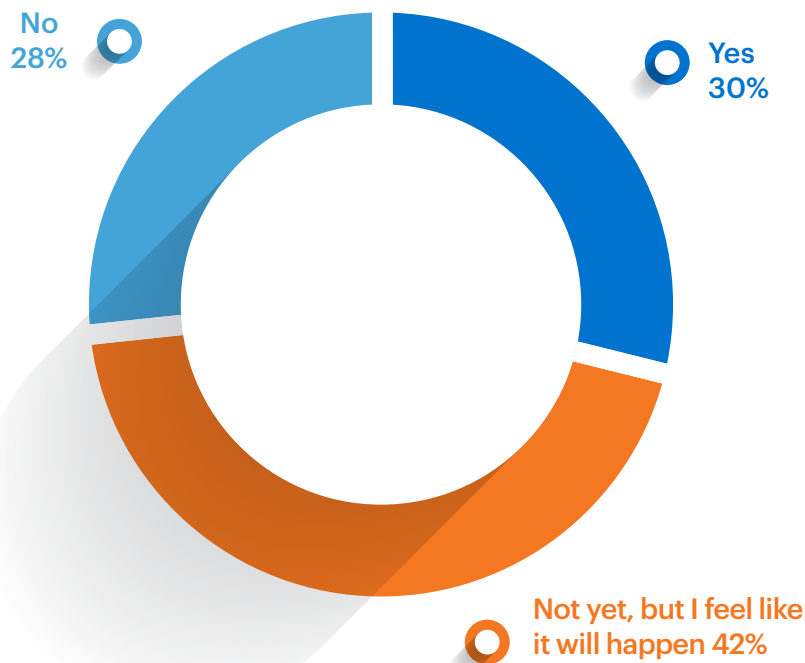
## How important are each of the following when selecting someone to do business with online?



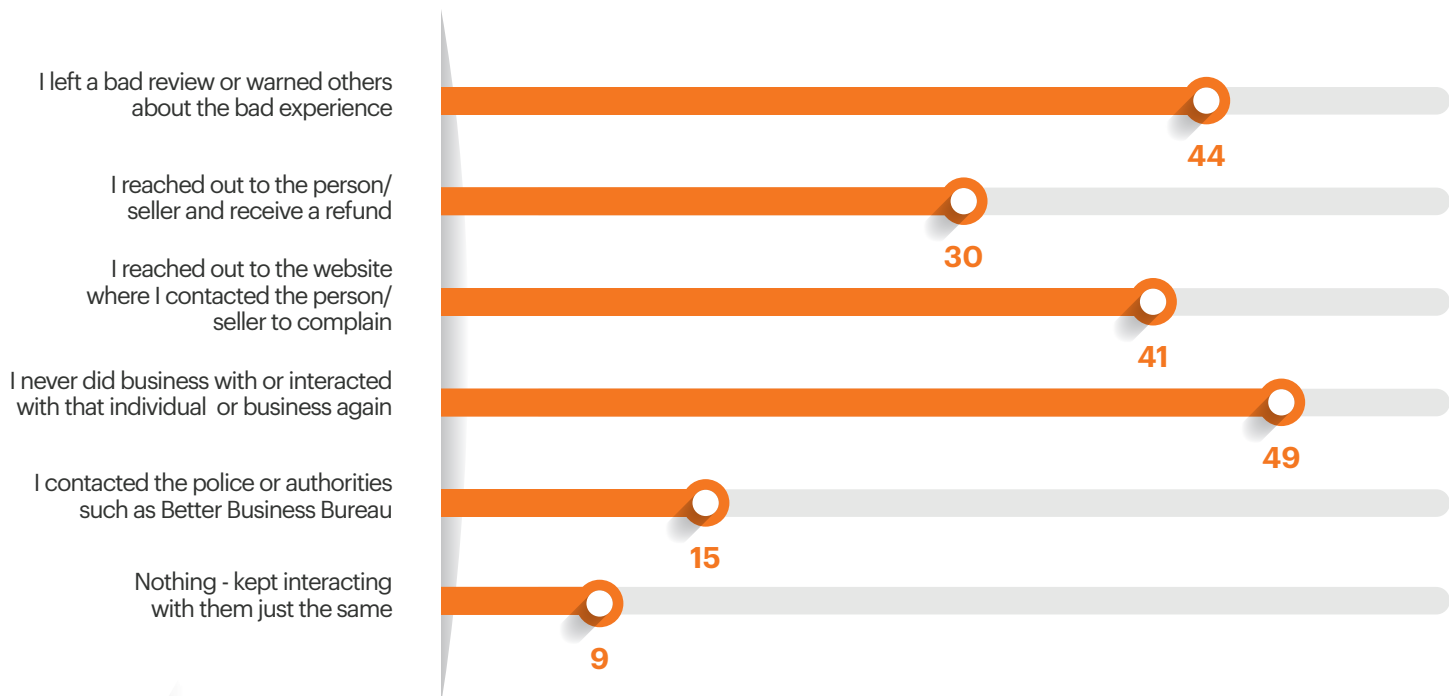
In an increasingly digital world where trust is quickly becoming a scarce and valuable resource, companies need to make trust a priority. In fact, 99% of survey respondents say that trust is important when it comes to online participation. Consumers see trust as paramount for not only giving them confidence with who they are doing business with online but ensuring that their personal information is safe.

This skepticism is not surprising given the current digital climate, but it serves as an eye-opener for companies who need to make identity verification and trust a cornerstone of how they do business.

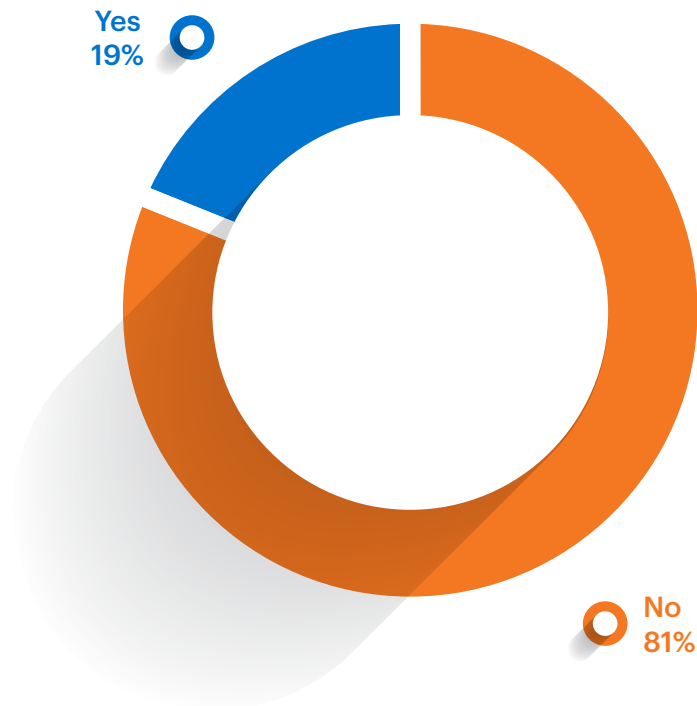
### Have you ever been deceived by someone online?



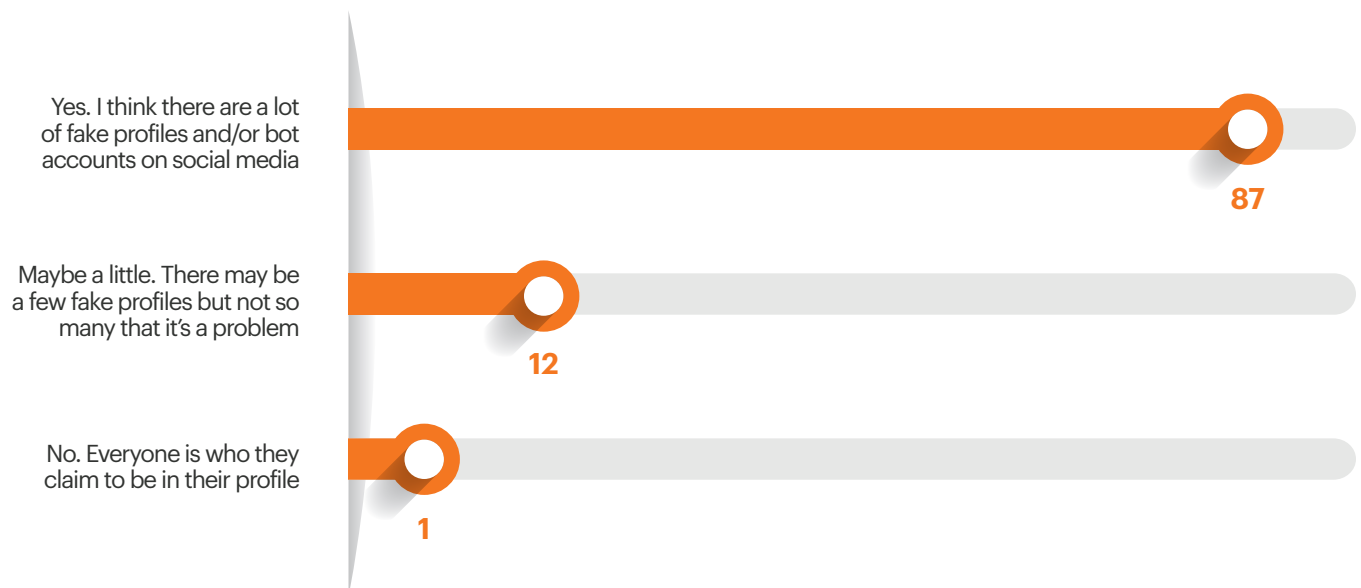
### How did you attempt to resolve being deceived online (i.e. didn't get the goods, services or experience you expected)? (Select all that apply)



Have you ever had an anonymous online profile, or pretended online to be someone other than who you really are?



Do you think it's too easy to create a fake profile on social media?

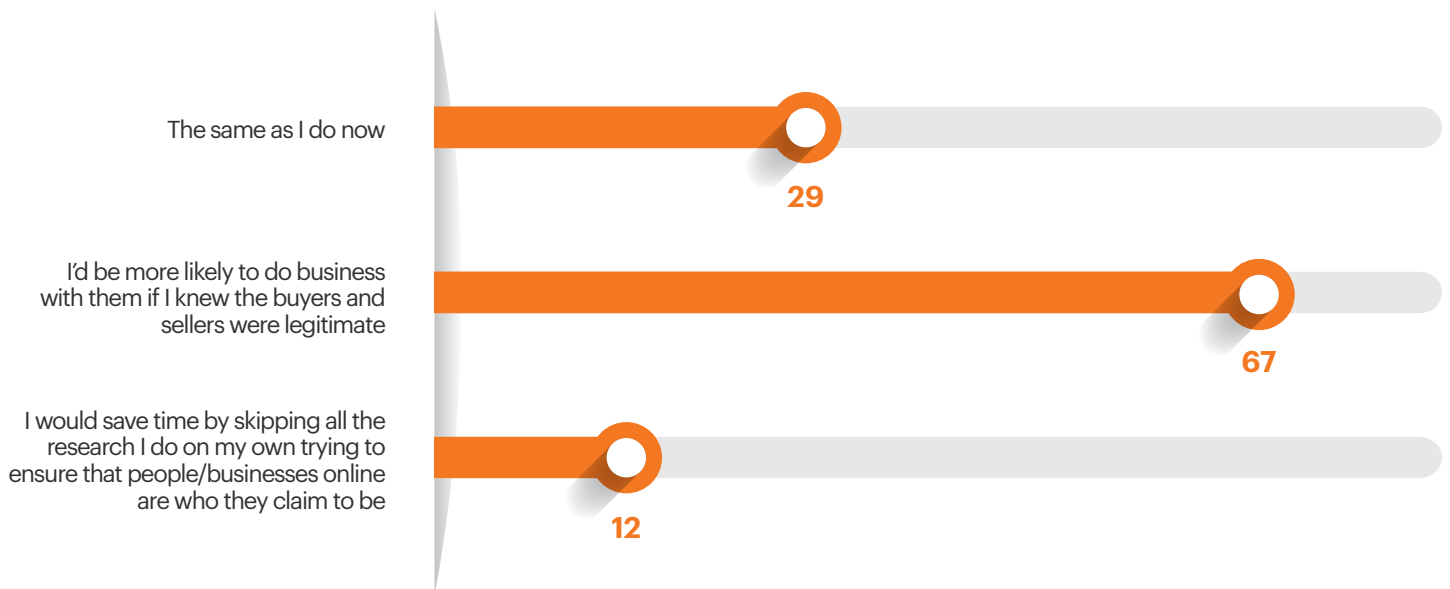


## Scams and fake accounts

Expectation of being deceived online drives business and purchasing decisions. 87% of respondents feel that social media is teeming with fake profiles and bot accounts; 19% admit to having deceived others online, and a larger number admit to having been deceived (30%) or expect to be deceived (42%), highlighting the inherent skepticism that exists among consumers when doing business online. Not surprisingly, the most common reaction to being deceived was to never do business or interact with the offending organization/individual again (49%), indicating that identity verification is crucial for customer retention and business longevity.

## Building consumer trust

**If a website could make sure/guarantee that a person is who they claimed to be, how would you feel about engaging more with that website? (Select all that apply)**

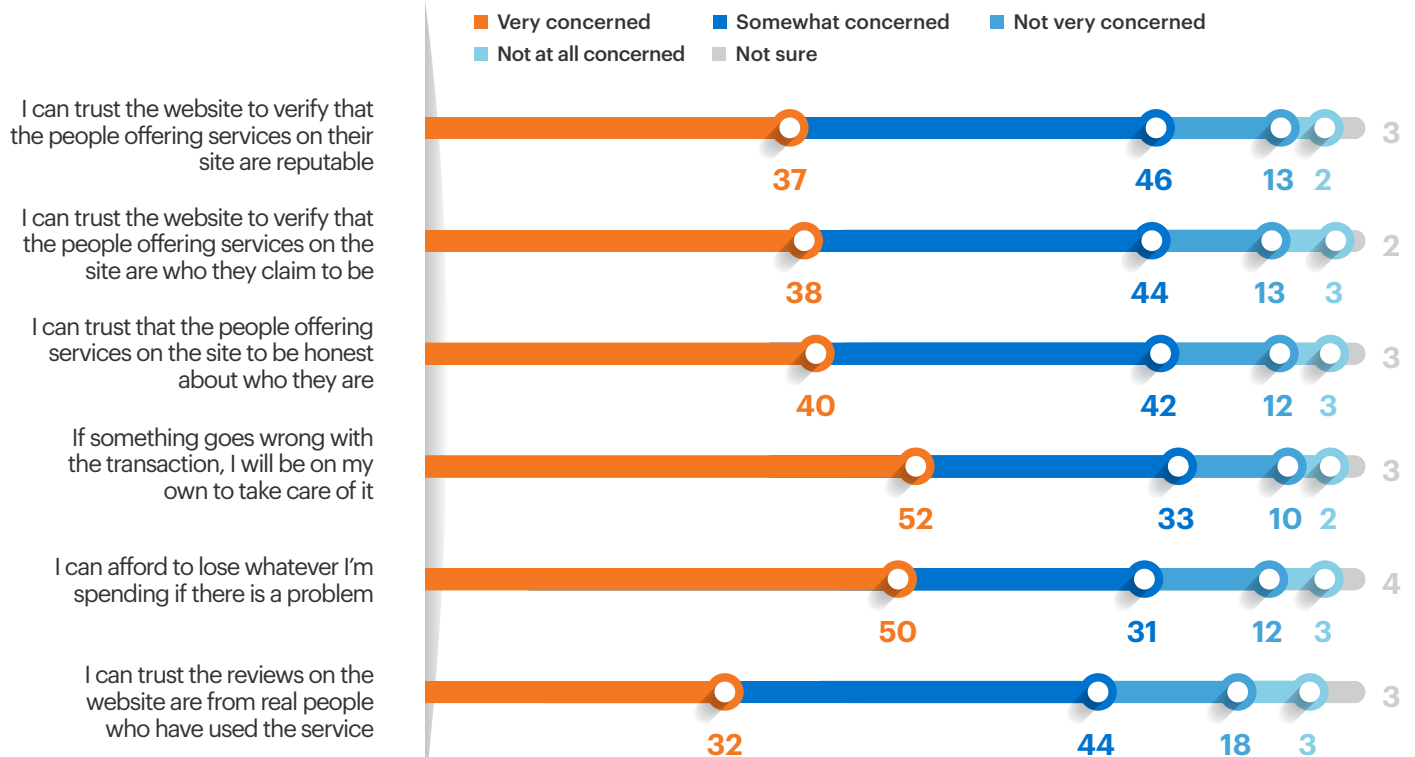




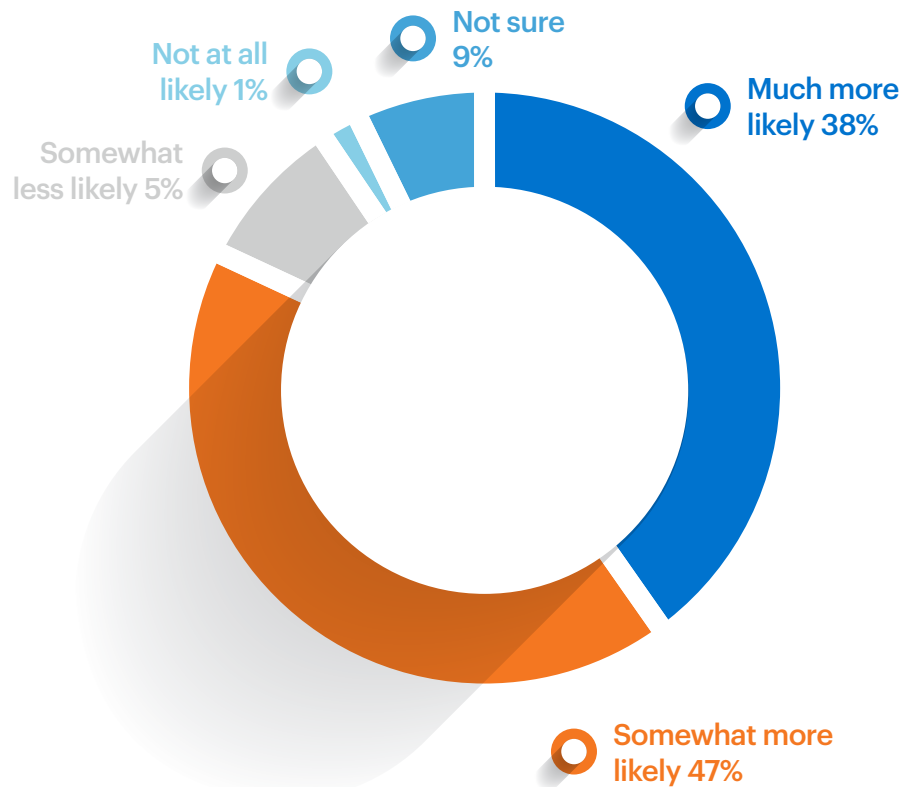
For websites that offer in-home services, like dog walking, home repairs, or childcare, would you select a company that verified the identity of the service providers over one that does not?



How concerned are you when doing business for the first time with a website that just connects you with other individuals who offer those goods or services - i.e. Uber, Poshmark, HomeAdvisor



Would you be more or less likely to interact with websites that had a “seal of approval” indicating that they verified the identity of all users vs. sites that didn’t?



Unsurprisingly, survey respondents overwhelmingly report that they would give preference to businesses that take extra steps to assure the authenticity of users - two-thirds (67%) feel that they would be more likely to do business using a website that could guarantee that a person is who they claim to be.

Confidence skyrockets to 91% when respondents are asked about verifying the identity of in-home services such as dog walking, home repair or childcare, illustrating how seriously consumers think about who they are interacting with when inviting someone into their home. And 85% of surveyed consumers are concerned or very concerned that when they connect with other individuals for services, they won't receive the support they need if things go wrong and that they will be on their own to handle the outcome.

These sentiments lead 85% to say that they are more likely to interact with websites that have verified the identity of all users vs. sites that do not. This attitude extends to all online buying/selling, with 67% responding they would be more likely to do business with a website if they knew the buyers and sellers were legitimate.

## Conclusion

For all the concern about digital identity verification, virtually all (94%) of those surveyed said the convenience of completing their transition online, without having to mail in anything or go to a location in-person is important, and 62% say it's very important. Yet today, many identity verification processes ask consumers to leave the digital channel to verify identity. With an unwavering desire to share, buy, sell, and communicate on the digital channel, consumers expect organizations do more to establish trust when asking to share personal information online.

## Methodology and sample characteristics

Zogby Analytics was commissioned by Mitek to conduct an online survey of 1176 digital users in the US.

Using internal and trusted interactive partner resources, thousands of adults were randomly invited to participate in this interactive survey. Each invitation was password coded and secure so that one respondent could only access the survey one time.

Using information based on census data, voter registration figures, CIA fact books and exit polls, we use complex weighting techniques to best represent the demographics of the population being surveyed. Weighted variables may include age, race, gender, region, party, education, and religion.

Based on a confidence interval of 95%, the margin of error for 1176 is +/- 2.9 percentage points. This means that all other things being equal, if the identical survey were repeated, its confidence intervals would contain the true value of parameters 95 times out of 100.

Subsets of the data have a larger margin of error than the whole data set. As a rule we do not rely on the validity of very small subsets of the data especially sets smaller than 50-75 respondents. At that subset we can make estimations based on the data, but in these cases the data is more qualitative than quantitative.

Additional factors can create error, such as question wording and question order.

Zogby Analytics is respected nationally and internationally for its opinion research capabilities. Since 1984, Zogby has empowered clients with powerful information and knowledge critical for making informed strategic decisions.

The firm conducts multi-phased opinion research engagements for banking and financial services institutions, insurance companies, hospitals and medical centers, retailers and developers, religious institutions, cultural organizations, colleges and universities, IT companies and Federal agencies. Zogby's dedication and commitment to excellence and accuracy are reflected in its state-of-the-art opinion research capabilities and objective analysis and consultation.

