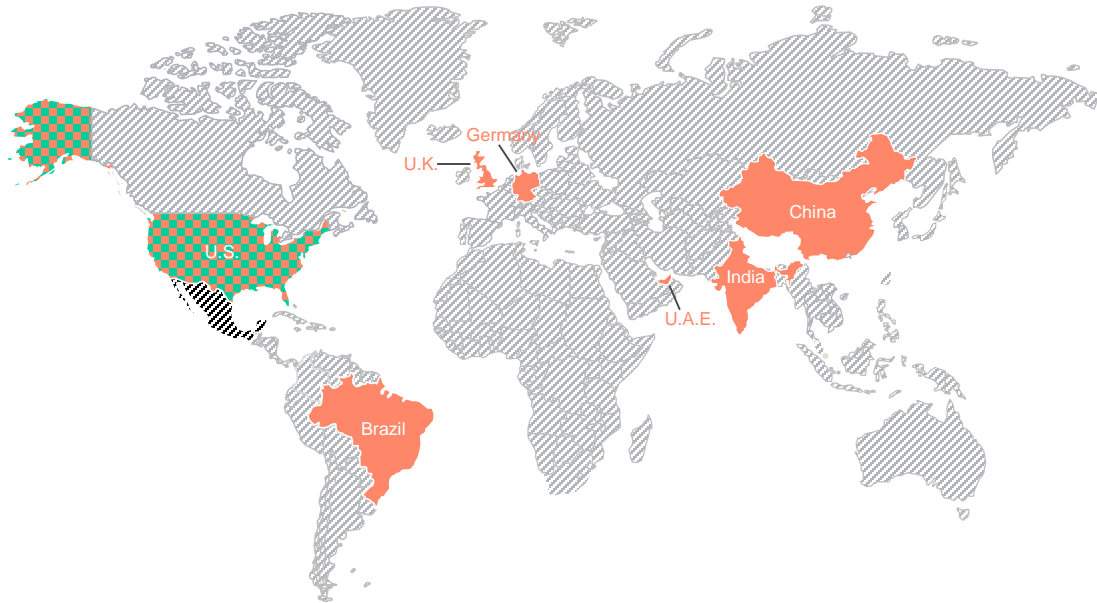


IBM Cybersecurity and Privacy Research

April 13, 2018



Scope of Measurement



7
MARKETS

6 Overview

1 Expanded Look

10,500
INTERVIEWS

8,461 Global Overview
2,039 US Expanded Look



WHO

General Population Adults

- Including a subset of director-level+ business leaders



HOW

Data were collected via online survey



LENGTH OF SURVEY

~11 minutes



WHEN

March 20 – 29, 2018

US  n=2126 global overview, n=2039 expanded look

UK  n=1032

Germany  n=1020

Brazil  n=1143

China  n=1101

India  n=1013

United Arab Emirates  n=1026



Key Headlines

- A majority of the public is more concerned about cyber security than it was five years ago. In fact, more than half are more worried about cybersecurity than war.
- A majority are confident that companies can protect their data and help in the wake of a breach, but they near-universally want businesses to do more.
- Most feel business' focus on profits could negatively impact cybersecurity commitment.
- Most across the globe (7 in 10) think it would be appropriate for government to step in given that businesses have not been able to do enough.
- Cybersecurity is increasingly a filter for the public – it is a crucial consideration when making purchase decisions.
- When it comes to driving choice, cybersecurity trumps confidence in leadership and corporate social responsibility. It's not just an under-the-hood operational function, it is part of how companies are judged in the consumer marketplace.
- If a breach occurs, the public wants fast action – and most expect companies to cover consumer costs.
- According to a majority of the US population, external cybersecurity threats are more important than how companies handle data internally.
- While a majority of the US public sees companies' ability to keep data private as absolutely key, it has little trust in companies to do so.



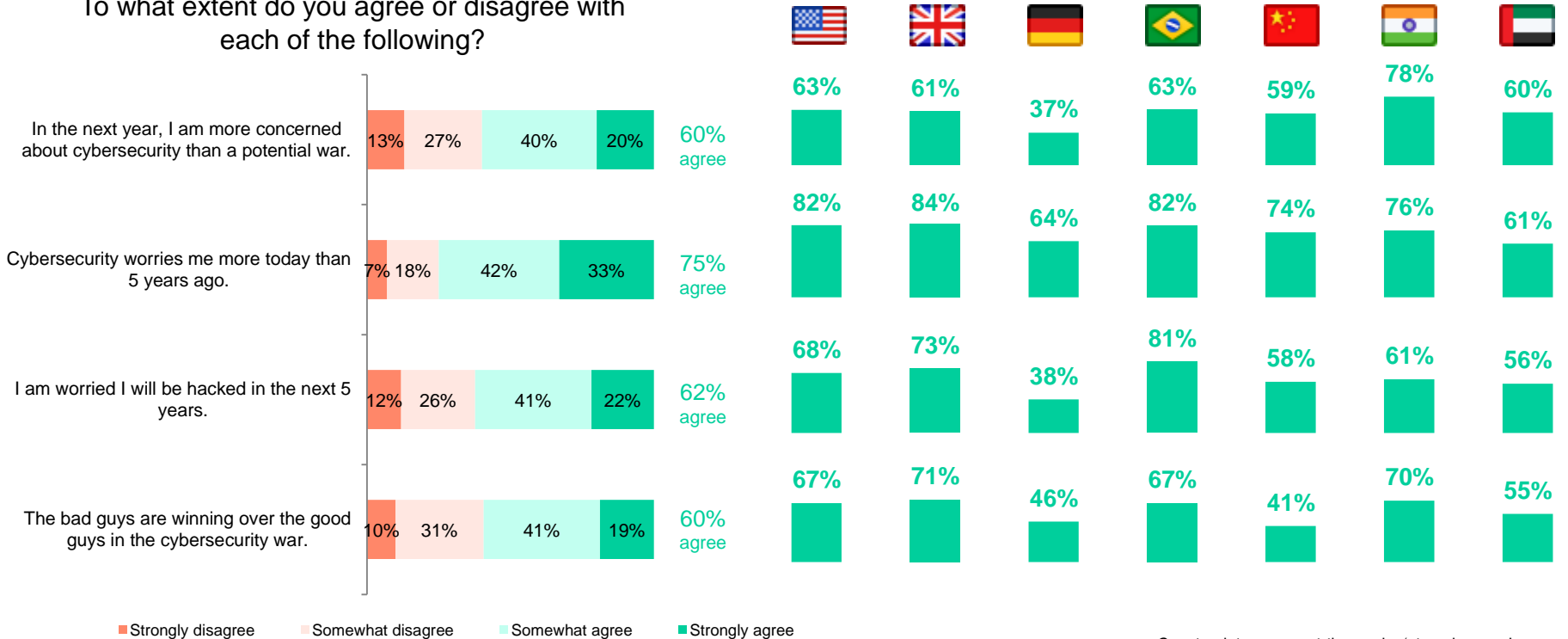
Questions asked Globally



Three in four adults worry more about cybersecurity than five years ago

Scale of Vulnerability

To what extent do you agree or disagree with each of the following?



Country data represent those who 'strongly agree' or 'somewhat agree'



Scale of Vulnerability: Demo Breaks

	Total	Business Executives	18-34 ■	35-54 ■	55+ ■	Men	Women
In the next year, I am more concerned about cybersecurity than a potential war.	60%	67%	61% ↑	62% ↑	54%	62% ↑	58%
Cybersecurity worries me more today than 5 years ago.	75%	75%	73%	75% ↑	80% ↑↑	72%	78% ↑
I am worried I will be hacked in the next 5 years.	62%	67%	61%	66% ↑↑	60%	61%	64%
The bad guys are winning over the good guys in the cybersecurity war.	60%	61%	58%	59%	64% ↑↑	60%	60%

↑ Significantly higher than column indicated

Data represent those who 'strongly agree' or 'somewhat agree'

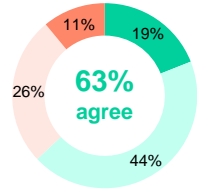


A majority has confidence in companies to protect data and repair it after a breach

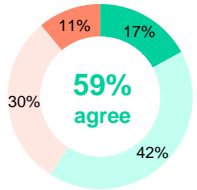
Confidence in Companies

To what extent do you agree or disagree with each of the following?

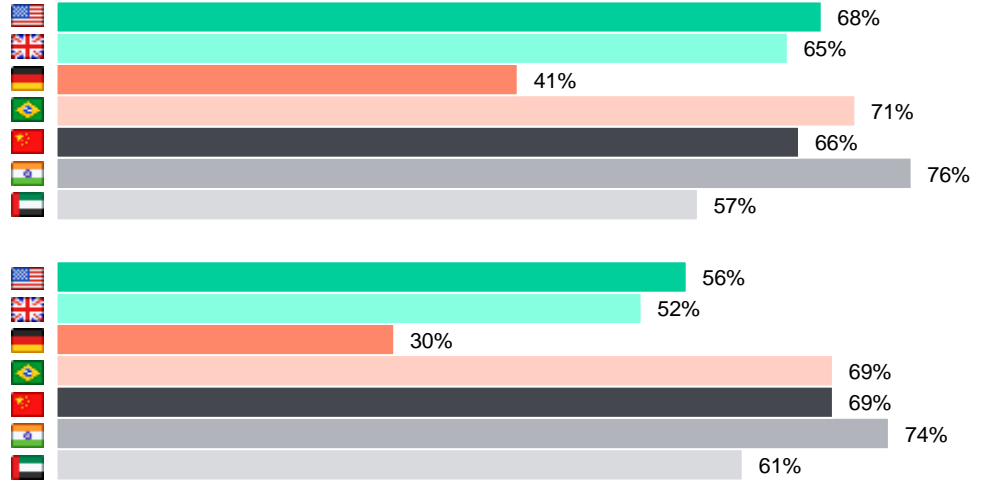
I trust companies to help me repair any damage due to a cyber attack



I am very confident in companies' current ability to securely protect their information



- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree



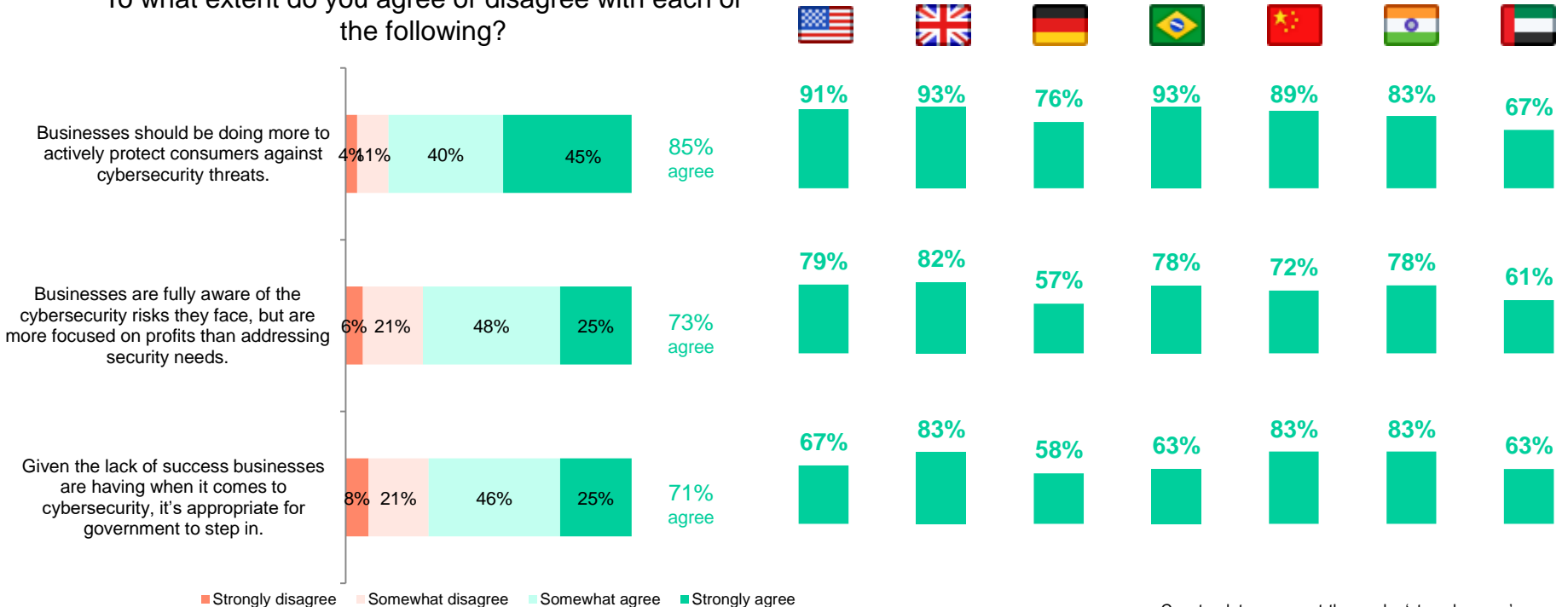
Country data represent those who 'strongly agree' or 'somewhat agree'



Mandate for businesses to do more, calls to put security over profit and for government intervention

The Role of Business and Government

To what extent do you agree or disagree with each of the following?



Country data represent those who 'strongly agree' or 'somewhat agree'



Confidence in Business and its Role in Cybersecurity: Demo Breaks

	Total	Business Executives	18-34 ■	35-54 ■	55+ ■	Men	Women
I trust companies to help me repair any damage due to a cyber attack	63%	70%	67% ↑↑	64% ↑	56%	62%	65%
I am very confident in companies' current ability to securely protect their information	59%	70%	66% ↑↑	60% ↑	42%	58%	60%
Businesses should be doing more to actively protect consumers against cybersecurity threats.	85%	82%	82%	85% ↑	91% ↑↑	82%	88% ↑
Businesses are fully aware of the cybersecurity risks they face, but are more focused on profits than addressing security needs.	73%	71%	70%	74% ↑	76% ↑	71%	74% ↑
Given the lack of success businesses are having when it comes to cybersecurity, it's appropriate for government to step in.	71%	73%	70%	73% ↑	73% ↑	70%	73% ↑

↑ Significantly higher than column indicated

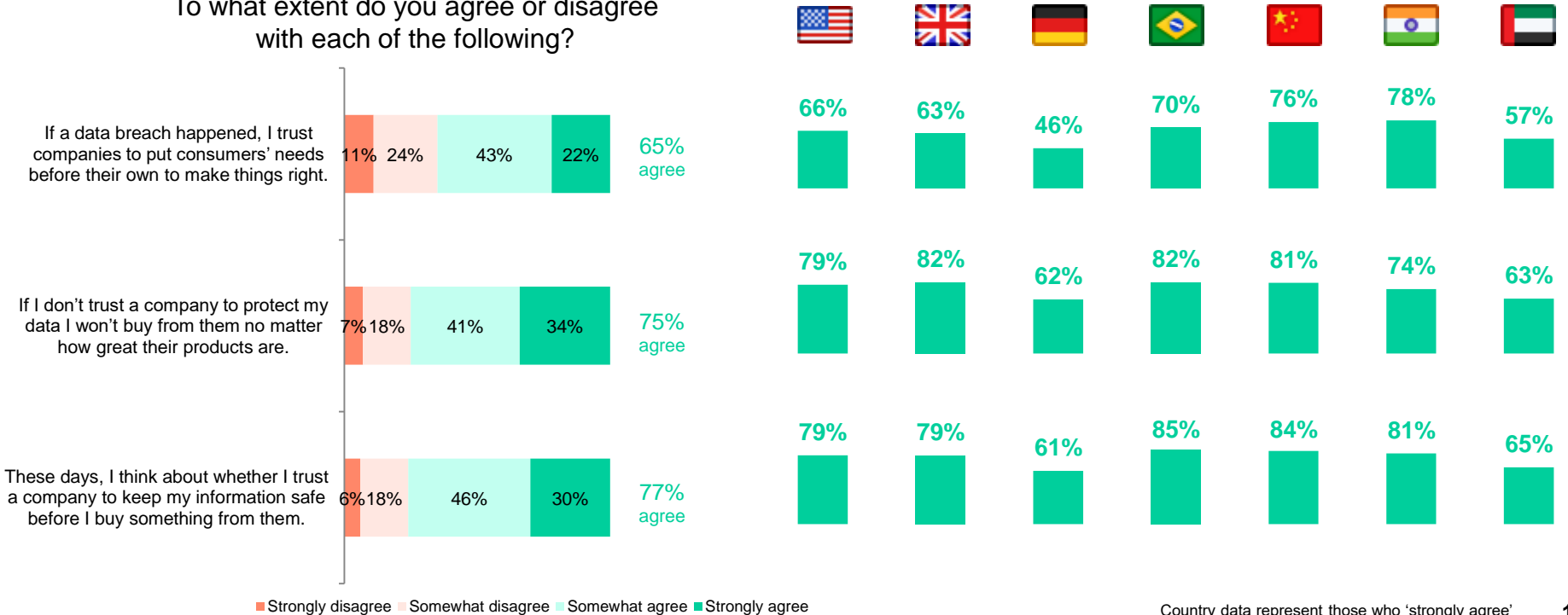
Data represent those who 'strongly agree' or 'somewhat agree'



Cybersecurity key factor in purchase consideration

Business Fallout

To what extent do you agree or disagree with each of the following?



Country data represent those who 'strongly agree' or 'somewhat agree'



Business Fallout: Demo Breaks

If a data breach happened, I trust companies to put consumers' needs before their own to make things right.

If I don't trust a company to protect my data I won't buy from them no matter how great their products are.

These days, I think about whether I trust a company to keep my information safe before I buy something from them.

	Total	Business Executives	18-34 ■	35-54 ■	55+ ■	Men	Women
If a data breach happened, I trust companies to put consumers' needs before their own to make things right.	65%	71%	68% ↑↑	65% ↑	60%	64%	67% ↑
If I don't trust a company to protect my data I won't buy from them no matter how great their products are.	75%	76%	73%	76% ↑	77% ↑	73%	77% ↑
These days, I think about whether I trust a company to keep my information safe before I buy something from them.	77%	78%	77%	77%	77%	74%	79% ↑

↑ Significantly higher than column indicated

Data represent those who 'strongly agree' or 'somewhat agree'

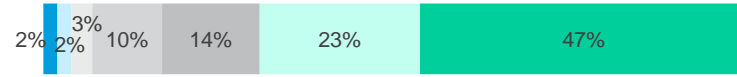


Cybersecurity in the context of purchase decision-making

It's likely that many things come together to influence whether or not you'll do business with a company. Today, how important would you say are each of the following when it comes to your decision?

Cybersecurity concerns trump leadership confidence and CSR when it comes to driving decisions

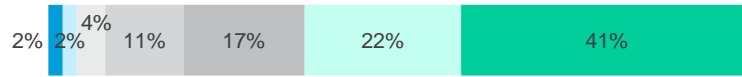
The quality of their products and services



Extremely Important (6-7)



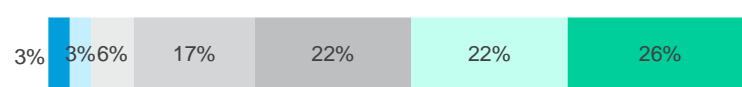
How well they protect their customer's data from a cyber attack



The quality of their employees and leadership



How the company engages in communities and with the environment



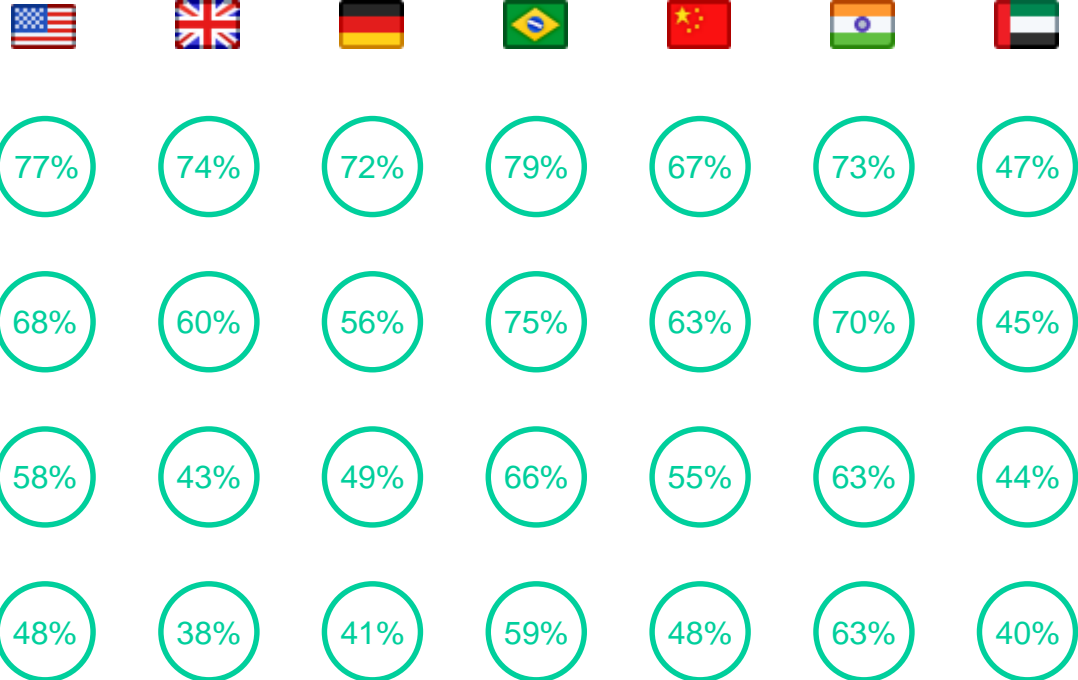
1 - Not at all Important 2 3 4 5 6 7 - Extremely Important



In all markets, cybersecurity is second only to product quality when it comes to decision drivers

Cybersecurity in the Context of Reputation

Extremely Important (6-7)





Cybersecurity in the Context of Reputation: Demo Breaks

	Total	Business Executives	18-34 ■	35-54 ■	55+ ■	Men	Women
The quality of their products and services	70%	68%	64%	71% ↑	83% ↑↑	66%	75% ↑
How well they protect their customer's data from a cyber attack	63%	64%	59%	62%	72% ↑↑	59%	67% ↑
The quality of their employees and leadership	54%	59%	54%	53%	56%	52%	57% ↑
How the company engages in communities and with the environment	48%	56%	49% ↑	49% ↑	45%	45%	52% ↑

↑ Significantly higher than column indicated

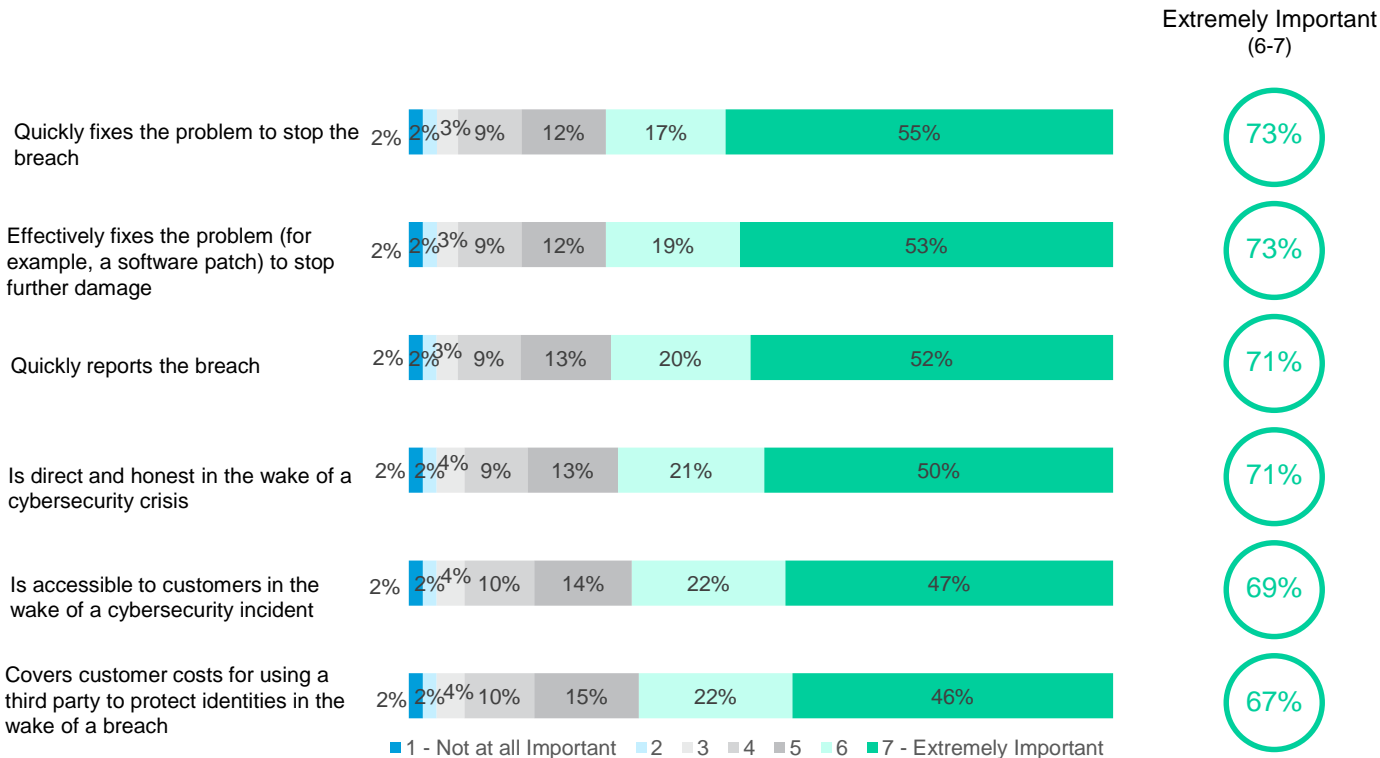
Data represent those who said 'extremely important' (6-7)



Offering costly third-party identity protection services considered as important as quick communications

Priorities Following a Breach

When a company experiences a cybersecurity breach and customer data has been compromised, how important is it that companies do each of the following?

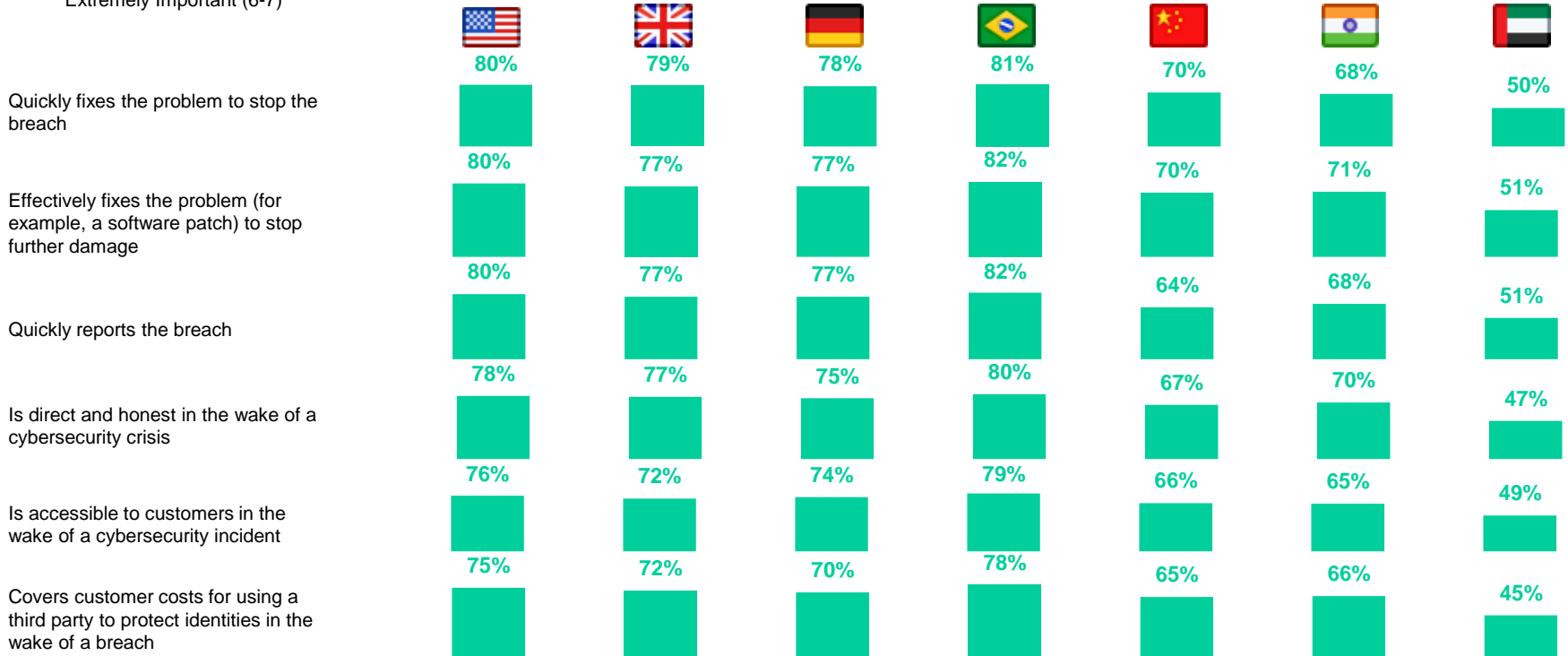




Speed is paramount...everywhere

Priorities Following a Breach

Extremely Important (6-7)





Confidence in Business and its Role in Cybersecurity: Demo Breaks

	Total	Business Executives	18-34	35-54	55+	Men	Women
Quickly fixes the problem to stop the breach	73%	69%	65	74 ↑	89 ↑↑	69	77 ↑
Effectively fixes the problem (for example, a software patch) to stop further damage	73%	68%	66	73 ↑	88 ↑↑	69	77 ↑
Quickly reports the breach	71%	67%	63	73 ↑	88 ↑↑	68	75 ↑
Is direct and honest in the wake of a cybersecurity crisis	71%	67%	64%	70% ↑	87% ↑↑	67%	75% ↑
Is accessible to customers in the wake of a cybersecurity incident	69%	67%	62	69 ↑	84 ↑↑	64	74 ↑
Covers customer costs for using a third party to protect identities in the wake of a breach	67%	65	60	68 ↑	83 ↑↑	63	72 ↑

↑ Significantly higher than column indicated

Data represent those who said 'extremely important' (6-7)

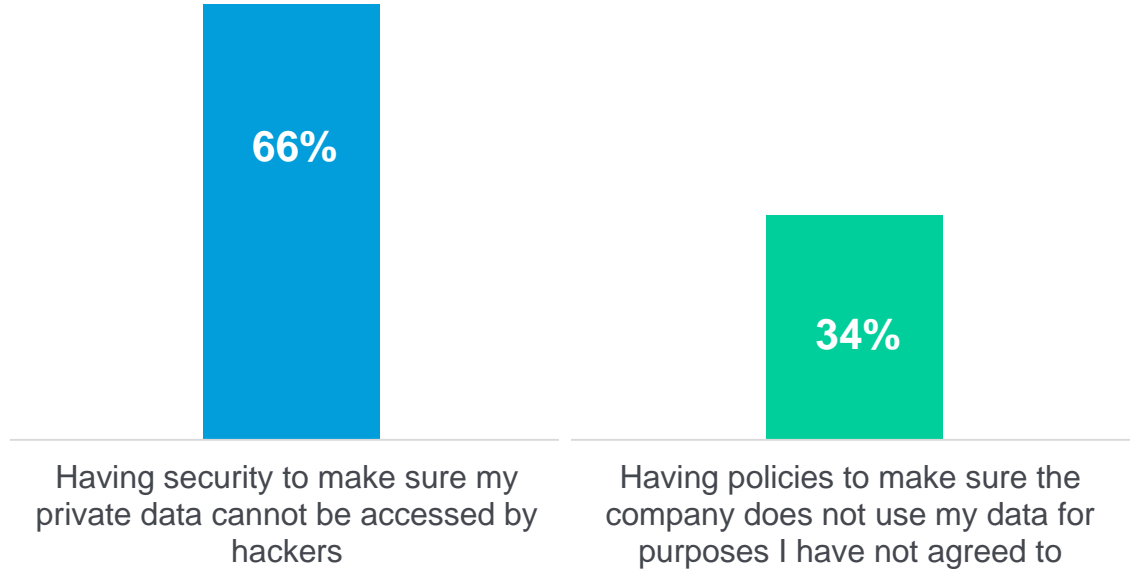


US: Expanded View



External cybersecurity protection trumps internal intent

Which attribute of companies/organizations you interact with do you value more?





Cyber Security Values: Demo Breaks

Which attribute of companies/organizations you interact with do you value more?

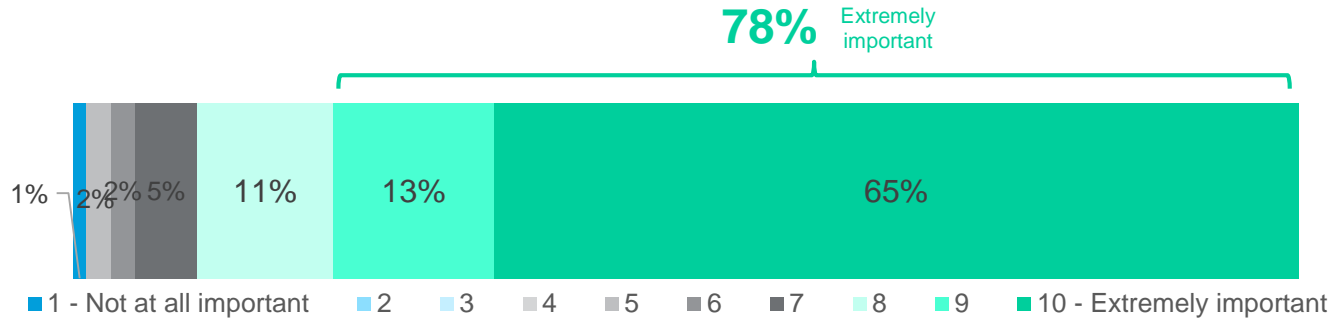
	Total	Business Executives	18-34 ■	35-54 ■	55+ ■	Men	Women
Having security to make sure my private data cannot be accessed by hackers	66%	60%	63%	63%	71% ↑↑	66%	66%
Having policies to make sure the company does not use my data for purposes I have not agreed to	34%	40%	37% ↑	37% ↑	29%	34%	34%

↑ Significantly higher than column indicated

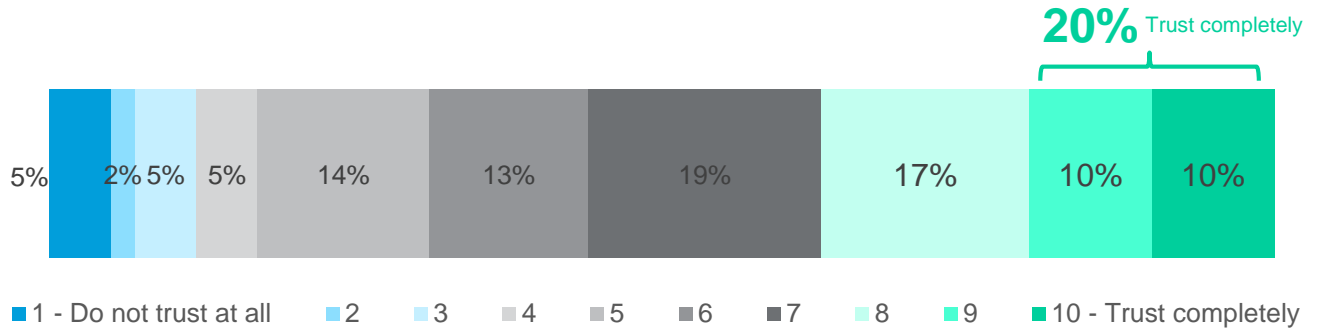


Huge gap between importance of data privacy and trust in companies to protect it

How important is a company's ability to maintain the privacy of your data?



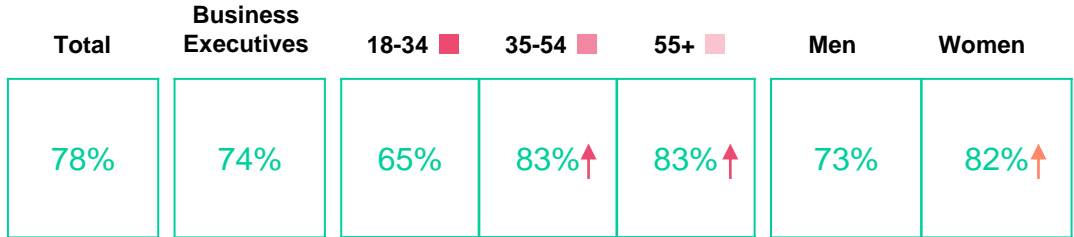
How much do you trust the companies/organizations you interact with to maintain the privacy of your data?



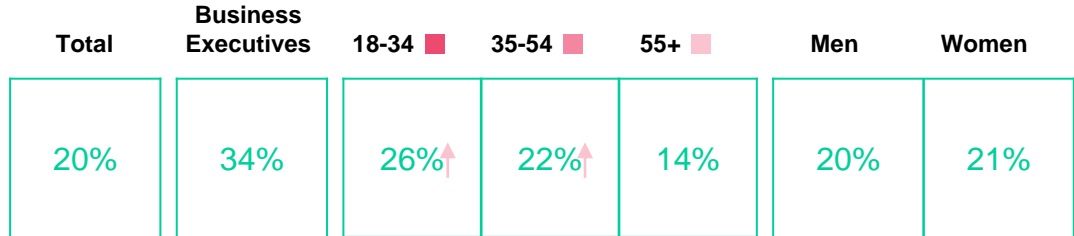


Importance and Trust: Demo Breaks

How important is a company's ability to maintain the privacy of your data?



How much do you trust the companies/organizations you interact with to maintain the privacy of your data?



↑ Significantly higher than column indicated

Data represent those who said (9-10) ('extremely important' and 'trust completely,' respectively)



Appendix



Methodology for Use in Press Materials

Global Overview

This survey was conducted online by The Harris Poll on behalf of IBM between March 20-26th, 2018, among 8,461 adults ages 18+ in the US (n=2126), UK (n=1032), Germany (n=1020), Brazil (n=1143), China (n=1101), India (1013), and United Arab Emirates (n=1026). This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables and subgroup sample sizes, please contact Wendy Salomon at wendy.salomon@harrisinsights.com.

US Expanded Look

This survey was conducted online within the United States by The Harris Poll on behalf of IBM from March 27-29, 2018 among 2,039 U.S. adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables and subgroup sample sizes, please contact Wendy Salomon at wendy.salomon@harrisinsights.com.



Questions Asked – Global Overview

Q1 To what extent do you agree or disagree with each of the following?

1. Strongly agree
2. Somewhat agree
3. Somewhat disagree
4. Strongly disagree

[RANDOMIZE]

1. In the next year, I am more concerned about cybersecurity than a potential war.
2. Cybersecurity worries me more today than 5 years ago.
3. I am worried I will be hacked in the next 5 years.
4. The bad guys are winning over the good guys in the cybersecurity war.
5. Given the lack of success businesses are having when it comes to cybersecurity, it's appropriate for government to step in.
6. Businesses should be doing more to actively protect consumers against cybersecurity threats.
7. I trust companies to help me repair any damage due to a cyber attack.
8. I am very confident in companies' current ability to securely protect their information.
9. Businesses are fully aware of the cybersecurity risks they face, but are more focused on profits than addressing security needs.
10. These days, I think about whether I trust a company to keep my information safe before I buy something from them.
11. If a data breach happened, I trust companies to put consumers' needs before their own to make things right.
12. If I don't trust a company to protect my data I won't buy from them no matter how great their products are.

Q2 It's likely that many things come together to influence whether or not you'll do business with a company. Today, how important would you say are each of the following when it comes to your decision?

Q2a [DISPLAY HORIZONTALLY]

- 1 - Not at all important
- 2
- 3
- 4
- 5
- 6
- 7 - Extremely important

[RANDOMIZE]

1. The quality of their products and services
2. How the company engages in communities and with the environment
3. The quality of their employees and leadership
4. How well they protect their customer's data from a cyber attack

Q3 When a company experiences a cybersecurity breach and customer data has been compromised, how important is it that companies do each of the following?

- 1 - Not at all important
- 2
- 3
- 4
- 5
- 6
- 7 - Extremely important

[RANDOMIZE]

1. Quickly reports the breach
2. Quickly fixes the problem to stop the breach
3. Covers customer costs for using a third party to protect identities in the wake of a breach
4. Is accessible to customers in the wake of a cybersecurity incident
5. Effectively fixes the problem (for example, a software patch) to stop further damage
6. Is direct and honest in the wake of a cybersecurity crisis

Q4 Thinking of your current employment, would you describe yourself as having a director-level position or above in business?

1. Yes
2. No
3. I'm not currently employed



Questions Asked – US Expanded View

Q1 Which attribute of companies/organizations you interact with do you value more?

[RANDOMIZE]

1. Having policies to make sure the company does not use my data for purposes I have not agreed to
2. Having security to make sure my private data cannot be accessed by hackers

Q2 How important is it that the companies/organizations you interact with are able to maintain the privacy of your data?

- 1 – Not at all important
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10– Extremely important

Q3 How much do you trust the companies/organizations you interact with to maintain the privacy of your data?

- 1 – No trust at all
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10– Trust completely

Q4 Thinking of your current employment, would you describe yourself as having a director-level position or above in business?

1. Yes
2. No
3. I'm not currently employed