Strengthening trust and safety in today's digital economy

The Take

Consumers' concerns about their personal data are deeply intertwined with privacy, security and loyalty. Our research indicates that almost 9 in 10 consumers agree that increased transparency and control over their personal data can enhance their loyalty to businesses (see figure below). This underscores the importance of privacy and security in fostering consumer trust. According to 451 Research's Voice of the Connected User Landscape: Connected Customer, Trust & Privacy 2025, more than a quarter (26%) of consumer respondents have been victims of two or more data breaches in the past six months, and one in five experienced identity theft in the last three years. As these issues become more prevalent, the erosion of trust is palpable. Additionally, 79% of consumers express concern about their online data privacy. Consumers are increasingly aware of the risks associated with centralized data storage and the potential for misuse, especially with advancements in AI and deepfakes. This awareness is driving demand for more control over digital identities as consumers seek to protect their privacy and ensure their personal information is used responsibly.

In response to these growing concerns, businesses are investing heavily in new technologies to manage and protect customer data. For example, 42% of respondents to our Voice of the Enterprise: Information Security, Budgets & Outlook survey are increasing their spending on identity management. This investment is part of a broader strategy to enhance data security and privacy, which are critical components in building trusted relationships with consumers. By prioritizing privacy-centric technologies, businesses aim to address consumer concerns and foster loyalty, recognizing that trust is a key driver of e-commerce success.

Businesses must meet consumer demand for trust and control of their personal data

79% of consumers are concerned about their online data privacy; **81%** are concerned about the security of their data

Consumer trust

86% of consumers say more transparency and control over how their personal data is used will improve their loyalty to a business

Transparency and control improves loyalty

81% of businesses agree that building trusted customer relationships requires investment in new technologies to manage customer privacy and security

Protecting personally identifiable information

Sources: 451 Research's Voice of the Connected User Landscape: Connected Customer, Trust & Privacy 2025; 451 Research's Voice of the Enterprise: Customer Experience & Commerce, Digital Maturity 2024.

The shift toward privacy and security is also reflected in the changing dynamics of personalization. Balancing personalization with privacy is crucial since misuse of data can lead to significant reputational damage. As the digital landscape evolves, the ability to manage and protect personal data will be a defining factor in building lasting consumer relationships.

Business impact

Build trusted relationships. Establishing trust with consumers is a fundamental aspect of business success in the digital age. Companies are focused on safeguarding consumer data to improve the overall customer experience. As consumers seek more control over their digital identities, businesses must prioritize transparency and ethical data practices. By fostering trust and security, companies can enhance consumer loyalty, reduce risks associated with online transactions and drive sustainable growth in the evolving digital economy.

Enhance consumer control. Empowering consumers with greater control over their personal data is becoming an essential business strategy. Companies are developing systems that allow consumers to manage their digital identities, ensuring that they can choose what information to share and with whom. By providing tools for consumers to oversee their data, businesses can enhance the user experience, reduce friction in digital interactions and cultivate a sense of security.

Evaluate new investment in identity management. Businesses are prioritizing identity management to build consumer trust. This involves enhancing systems that verify trust credentials to ensure that personally identifiable information (PII) is protected. By investing in identity management, companies aim to bolster data security and privacy. As the digital landscape becomes more complex, businesses must adopt technologies that safeguard consumer data, providing a secure and seamless experience.

Balance personalization and privacy. As consumers become more aware of data privacy issues, companies must ensure that their personalization strategies are transparent and secure. This requires investing in technologies that protect consumer data while allowing for tailored engagement. The misuse of data can lead to reputational damage, making it crucial for businesses to adopt privacy-centric approaches. By achieving a balance between personalization and privacy, companies can create a customer experience that is both engaging and trustworthy.

Mitigate risk with continuous background checks. Conducting thorough background checks is increasingly vital for businesses to ensure trust and safety in their operations. By verifying the credentials and histories of employees, contractors and partners, companies can mitigate risks associated with fraud with continuous background checks to stay compliant. This process not only protects the business from potential liabilities but also enhances its reputation as a trustworthy entity. In sectors where safety and reliability are paramount, such as finance and healthcare, robust background checks are essential. By prioritizing these checks, businesses can foster a secure environment, build consumer confidence and maintain a competitive edge in the marketplace.

Looking ahead

As the digital landscape evolves, the demand for secure interactions across platforms is driving innovation in identity verification technologies. Shifting to consented data — data that customers voluntarily share — is a powerful means of enhancing transparency, control and connection in customer relationships. Businesses should consider the development of systems that allow individuals to carry verified trust credentials across various platforms, eliminating the need to repeatedly share sensitive personal information. This approach leverages decentralized identity systems, where users store verified credentials in digital wallets accessible via smartphones or other devices. These credentials use blockchain technology or similar secure frameworks, so they can be authenticated and shared with third parties without exposing personal data, which enhances privacy and streamlines the user experience.

Integrating AI and machine learning into these systems can enhance capabilities, enabling real-time fraud detection and adaptive security measures. As more platforms embrace these technologies, the vision of an interconnected digital ecosystem, where trust credentials are universally recognized and accepted, becomes attainable. This shift empowers individuals and sets a new standard for privacy and security in the digital age, paving the way for innovative and secure online interactions.