TECHLASH 2020

Why the technology sector needs to lean in now on consumer expectations

In the summer of 2020, a landmark hearing of technology sector leaders took place on Capitol Hill in Washington. This occurred amid the continuing global pandemic, the rightful fight for racial justice and equality, and a strained global economic outlook.

Like U.S. lawmakers, consumers all around the world seem to have a lot of questions for the technology sector in general – and they are demanding answers and action.

In this context, and to get a true picture of consumer sentiment towards technology companies, we carried out research to look at expectations, trust and the perceived responsibility for the technology sector to do what's right.

In this report, we've shared the full global data. The countries covered include the U.S., Canada, U.K., Italy, Germany, China and South Korea. We've also provided comparative data for the U.S. between 2019 and 2020.

What we found is that consumers want the technology sector to take a long hard look at its policies and practices. They want these companies to do what's right by them. And, a majority want governments to step in and help too.

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FleishmanHillard TRUE Global Intelligence, our in-house research practice, fielded a global online survey of adults 18 and older from June 8-19, 2020. The countries included the U.S., Canada, U.K., Italy, Germany, China and South Korea. Data have been weighted by gender and age in all markets as well as region in the U.S., Canada and China. In the U.S., an oversample of n=200 African Americans, n=200 Hispanic and n=100 LGBT adults were added.

This research was previously conducted in the U.S. among a sample of more than 1,000 adults ages 18 and older spanning five generations – Gen Z, Millennials, Gen X, Boomers and the Silent generation – on the same topics. The 2019 sample was fielded online from April 1-3, 2019.

REGULATION: TOO MUCH, TOO LITTLE OR JUST RIGHT?

Not surprisingly, one-third of consumers (29%) – especially from Europe – agree there isn't enough regulation on the sector. As many as 42%, with Italian consumers leading the charge, believe technology companies are not regulated enough, followed closely by U.K. consumers at 39% and Canadian at 35%. In sharp contrast, and standing alone among survey respondents, 37% of South Korean consumers believe there is too much regulation on the sector.

And, while most consumers – about 50-60% – are somewhere in the middle, believing regulation is just about right for the sector, this is not the case among Chinese consumers. Nearly eight out of 10 Chinese respondents (79%) believe regulation is just about right, followed by German consumers at 66%.

2020 FINDINGS

We asked consumers, "Which of the following is closest to your view about technology companies?"

	Global Total	U.S.	U.K.	China	S. Korea	Italy	Germany	Canada
Regulated too little	29%	33%	39%	11%	12%	42%	27%	35%
Regulated about the right amount	61%	59%	58%	79%	52%	52%	66%	60%
Regulated too much	10%	8%	3%	11%	37%	6%	7%	5%

Despite the government's probe into antitrust concerns this summer, U.S. consumer sentiment remains remarkably steady year-to-year. In fact, 59% of Americans believed the sector was regulated appropriately both years.

COMPARATIVE FINDINGS IN U.S. 2019 vs. 2020

2019	Total	2020	Total
Regulated too much	10%	Regulated too much	8%
Regulated about the right amount	59%	Regulated about the right amount	59%
Regulated too little	31%	Regulated too little	33%

FINDING COMMON GROUND: THE TECHNOLOGY SECTOR HAS TO ACT

The majority of consumers (59%) around the world agree that technology companies need to act to address the consequences of their policies, practices and products, and do right by consumers to build trust. In six of seven countries surveyed, over half agreed. Lagging behind was Germany at 46%. Even in China, where sentiment around the right level of regulation is highest, 78% of consumers agreed the technology sector needs to take more action and responsibility for its policies and products.

2020 FINDINGS

We asked consumers how much they agreed or disagreed with the following statement: "In order to (re)build trust as good corporate citizens who do what's right for consumers, technology companies need to take more action to address the consequences of their policies, practices and products."

	Global Total	U.S.	U.K.	China	S. Korea	Italy	Germany	Canada
Strongly agree	17%	22%	18%	18%	16%	13%	12%	19%
Somewhat agree	42%	34%	42%	61%	41%	41%	34%	42%
TOTAL AGREE	**59%**	**56%**	**60%**	**78%**	**58%**	**54%**	**46%**	**61%**
Neither agree nor disagree	32%	31%	32%	17%	33%	35%	45%	31%
Somewhat disagree	6%	8%	6%	4%	7%	8%	6%	6%
Strongly disagree	2%	5%	2%	1%	2%	3%	2%	2%
TOTAL DISAGREE	**9%**	**13%**	**8%**	**5%**	**9%**	**11%**	**9%**	**8%**

In the U.S. though, when comparing answers to this same question from 2019, there was an interesting twist: significantly fewer consumers (78% in 2019 vs. 56% in 2020) actually agreed with this statement, and over one in 10 grew more indifferent in 2020 (18% in 2019 vs. 31% in 2020), neither agreeing nor disagreeing with this statement. Surprisingly, there was an increase in the number of consumers that disagreed with this statement (4% in 2019 vs. 13% in 2020). This reveals American consumer convictions are shifting and fluid when it comes to their perception of the role of technology companies in addressing the consequences of their actions.

COMPARATIVE FINDINGS IN U.S. 2019 vs. 2020

	2019	2020
Strongly agree	40%	22%
Somewhat agree	38%	34%
TOTAL AGREE	**78%**	**56%**
Neither agree nor disagree	18%	31%
Somewhat disagree	3%	8%
Strongly disagree	1%	5%
TOTAL DISAGREE	**4%**	**13%**

GETTING TO WORK: CLOSING THE TRUST GAP

So, just how large is the gap between what technology companies are doing and consumer trust? Sadly, the answer is: it's significant. Worldwide, 62% of consumers trust technology companies somewhat and over a quarter trust them either not very much or not at all (28%). In the U.K. (38%) and Canada (37%), this number jumps to over one-third in both countries. Italian and German consumers follow at 34%. Conversely, the number of consumers who have little trust in technology companies is much lower in the Asia Pacific countries. Just 7% of Chinese consumers don't trust technology companies very much or not at all, followed by 16% of South Korean consumers.

2020 FINDINGS

We asked consumers, "Thinking about technology companies in general, how much would you say you trust technology companies?"

	Global Total	U.S.	U.K.	China	S. Korea	Italy	Germany	Canada
A great deal	10%	12%	5%	21%	14%	4%	7%	7%
Somewhat	62%	55%	58%	71%	70%	63%	58%	57%
Not very much	24%	26%	32%	6%	14%	29%	27%	32%
Not at all	4%	6%	6%	1%	2%	5%	7%	5%

COMPARATIVE FINDINGS IN U.S. 2019 vs. 2020

Taking a closer look at the U.S. compared to 2019, and despite changing consumer convictions about the need for technology companies to take more action and responsibility, the trust gap is getting larger, not smaller.

	2019	2020
A great deal	18%	12%
Somewhat	64%	55%
TOTAL TRUST	82%	67%
Not very much	16%	26%
Not at all	2%	6%
TOTAL DO NOT TRUST	18%	32%

WHERE DO WE GO FROM HERE?

For all of its good, technology isn't without its flaws. As consumers, our lives are more efficient and effective because many of us have technology-enabled tools for everything we do – from our work to our personal lives. Technology is part of the fabric of what connects and entertains nearly every consumer in the developed world – and at no time has that been truer than during the lockdowns and social distancing brought on by COVID-19.

But, the technology sector has a duty to do things right or it risks further disenfranchising the consumer, especially younger consumers. In the 2019 survey, when asked, "Thinking about technology companies in general, how much would you say you trust technology companies," the data showed Gen Z had the greatest lack of trust at 26%, followed by Millennials at 22% and Boomers at 19%. Surprisingly, Gen X was the most trusting of technology companies at 88% followed by the Silent generation at 84%. In 2020, Gen Z expresses an even higher lack of trust (46%), followed by Millennials (32%), Gen X (32%) and Boomers (31%).

U.S. 2020 DATA

Thinking about technology companies in general, would you say you trust technology companies…?

	U.S. Total GenPop	Gen Z (18-22)	Millennials (23-37)	Gen X (38-53)	Baby Boomers (54-72)	Silent (73+)
Great deal/ somewhat (NET)	68%	54%	68%	68%	69%	75%
A great deal	12%	15%	18%	12%	10%	2%
Somewhat	55%	39%	50%	55%	59%	72%
Not very much/not at all (NET)	32%	46%	32%	32%	31%	25%
Not very much	26%	37%	27%	27%	23%	22%
Not at all	6%	9%	5%	6%	7%	3%

The technology sector needs to set a higher standard overall, behaving responsibly toward all stakeholders. The alternative will likely be that government actors put their foot on the gas and consumers, especially younger ones, show their disappointment with their voices, through social activism and by voting with their wallets.

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