

# Why Consumer Privacy Matters: The Importance of Strong Data Governance

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# Our Speakers



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# Why Privacy Matters

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## RESPECT

Privacy is about respecting individuals. If a person has a reasonable desire to keep something private, it is disrespectful to ignore that person's wishes without a compelling reason to do so.



## TRUST

We trust other people we interact with as well as the companies we do business with.



## CONTROL

Having knowledge about what data is being used, how it is being used, the ability to correct and amend it, gives consumer control.



## REPUTATION

Accountability and establishing trust with both the end user and prospective business partners is the foundation for a reputation that understands and prioritizes privacy.

# They're increasingly concerned about online tracking

**My data could be permanently recorded and accessible to anyone without my knowledge**



**My online/mobile behavior could be tracked**



■ 2016 ■ 2017 ■ 2018

Source: Forrester Analytics Consumer Technographics® European Online Benchmark Survey (Part 2), 2018, 2017, 2016

# It's not just talk: consumers take action to protect themselves

**34%**

**currently use an ad blocker**

**53%**

**cancel a transaction if they don't like something in the privacy policy\***

**48%**

**take measures to limit personal data collection by apps and websites**

Base: 43,091 US online adults (18+) and \*83,152 US online adults (18+)

Source: Forrester Analytics Consumer Technographics® North American Online Benchmark Survey (Part 2), 2018.

# Consumers are most likely to request their information be deleted and their data not used for marketing purposes

Q: How likely are you to exercise the following rights related to General Data Protection Regulation (GDPR)?



Base: British Online Adults (18+) 3,285

Source: Consumer Technographics Online Benchmark and Recontacts, 2018

# Regulations & Protections

# California Consumer Privacy Act

Effective January 1, 2020

Data for the prior 12-month  
period for any resident  
of California

Consumer response within 45  
days of consumer validation

Axiom readiness efforts  
include data and solutions,  
risk and identity for the U.S.

Businesses (and clients) are  
responsible for their readiness  
and compliance

Exemptions and exceptions

Covers businesses that meet certain thresholds:

- Generate \$25 million in annual revenue
- Acquire information on at least 50,000 California consumers, households or devices
- Derive at least 50% of revenue from the sale of personal information

Affords California citizens broad rights

“Limited private right of action”

# CCPA : GDPR COMPARISON

## Key Similarities

Business Requirements	GDPR	CCPA
Applies to a broad range of companies and not limited to distinct industries	Y	Y
Applies to both offline and online personal data	Y	Y
Provide detailed information on how a personal data collected is used and processed	Y	Y
Notify consumers about a right to access information held about them and a right to a “portable” report of that information	Y	Y
Notify individuals about a right to have their information deleted	Y	Y
Describe the types of entities to whom their information is sold	Y	Y
Attempts to define data that is about the consumer, but not stored in a way that is identifiable with the consumer	Y	Y

# CCPA : GDPR COMPARISON

## Key Differences

Business Requirements	GDPR	CCPA
Must provide a right to rectification (i.e. correction)	Y	-
Requires a Controller be designated and that contact information for the Controller be made available to consumers	Y	-
Include a “Do Not Sell My Personal Information” link on websites and privacy notices	-	Y
Describe the information they share with service providers	-	Y
Right to Nondiscrimination	-	Y

Additionally, GDPR appears to have a higher hurdle for “fair and legitimate use” of consumer data. Early indications are that personalization of marketing offers may not be enough of a justification for data collection.

# Remedies under CCPA



## **Private right of action for unreasonable security measures**

\$100 to \$750 per violation



## **California Attorney General**

Injunctive relief

Civil penalties up to \$7,500 per violation

What impact is this interpretation of CCPA going to have on California consumers who could have differing experiences across companies?

# Becoming A Regulated Industry: GDPR

The New York Times

Opinion | [THE PRIVACY PROJECT](#)

## Why Is America So Far Behind Europe on Digital Privacy?

Legislators should seize the moment to pass meaningful protections for the digital age.

**By [The Editorial Board](#)**

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June 8, 2019

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# There Is Broad Consensus Among Reps & Dems

**Sen. Josh Hawley (R-MO):** *"For too long our nation has put off accounting for the price we paid in return for the benefits of the online services that now dominate American culture and industry"*

**Sen. Marsha Blackburn (R-TN):** *"Tech companies pretend to care about privacy, but the truth is, they have been selling the privacy of Tennesseans' to the highest bidder for years. You need to know who has access to your information, and what they are using it for"*

**Sen. Richard Blumenthal (D-CT):** *"A grand bargain for the companies who regularly exploit consumer data for private gain and seek to evade transparency and accountability"*

**Rep. Bobby Rush (D-IL):** *"We know that data breaches occur for many reasons, but no American should have to experience data breaches that were caused by corporate negligence or because their personal information was exploited or sold to third parties without their clear consent"*

# States: CCPA In The Lead, Others To Follow

- Enforcement on track for January 1, 2020
- IAB collaborating on amendments
- CA Attorney General drafting rules
- Crucial definitions still up in the air
- State working group tracking emerging bills
- Small victories in CA and other states



# But a federal US bill won't land in 2019

**ADWEEK**

**Sen. Marco Rubio Introduces Federal Privacy Legislation to Supersede State Laws**



**FAST@MPANY**

**Inside the upcoming fight over a new federal privacy law**

- **Goal**

- Work with Congress to support enactment of groundbreaking comprehensive federal consumer data privacy and security legislation, which will create a national standard for businesses and consumers

- **A new paradigm for federal privacy law**

- To provide strong and comprehensive data protections for individuals nationwide.
- To establish clear rules of the road for individuals, businesses, and law enforcers.
- To stop harmful and unexpected data practices while allowing beneficial practices to flourish.
- To shift away from notice and choice and towards a common set of norms about what data practices are reasonable vs. unreasonable.

# ICO Report on Real-time Bidding

Investigations raised a number of concerns with the data protection practices within RTB

- Transparency & Consent
- Data Supply Chain

Work highlighted the lack of maturity of some market participants, and the ongoing commercial incentives to associate personal data with bid requests

# Getting ahead of Regulations

How do we take something so complex and begin to layer it into consumer data strategies and marketing practices?

# Ethical Data Use Framework



1. Confidence that allows use of new streams of data and analytics
2. Deliberate method that results in outcomes that are good for Brand *and* Consumer: Legal, Respectful and Fair (accountability)
3. More mature organizational Information Governance System
4. Deliberate method that addresses complexity, nuance and uncovers data/ analytic quality Issues
5. Data Governance as a competitive differentiator to protect Brand Trust and Loyalty - and get the outcomes right

# An Ethical Data Use Framework for “Doing the Right Thing”

**Characterize the Project:** Purpose, Sources, Insights, Accountability

**Is It Beneficial:** What are the benefits that come from the collection and use; what are the risks?

**Is It Progressive:** Can the benefits be achieved using less/different data?

**Is it Sustainable:** How long can the insights endure?

**Is it Respectful:** What are the legal obligations? Is the security adequate?

**Is it Fair:** Focus on the individual. Are there recourses for the consumer?



# Strong Data Governance is Key

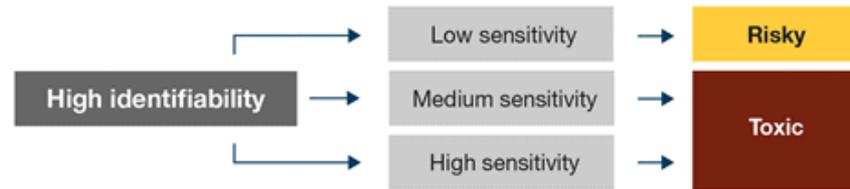
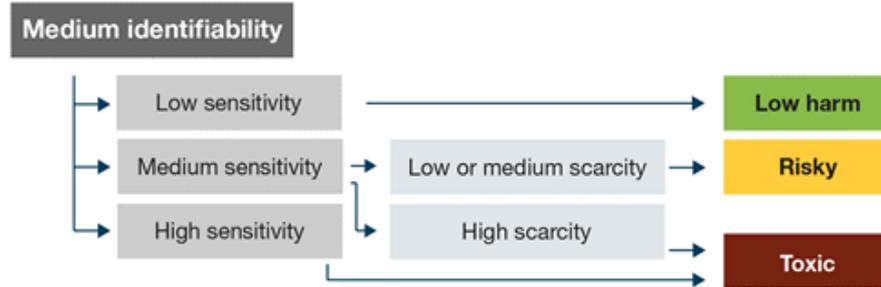
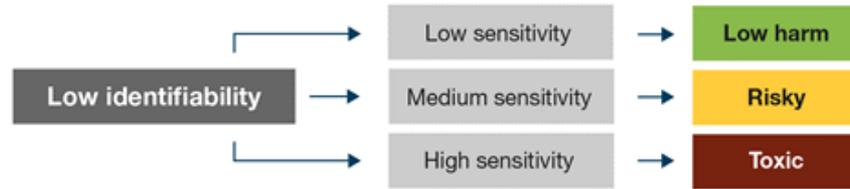
Data Governance increases efficiency: Duplicate records lead to duplicate accounts, which lead to duplicate efforts or offers.

Good data governance tools and practices make it easier to monitor what is happening across your database, and will make it easier to see what areas may be at risk.

Regulatory compliance and data governance go hand in hand. As people continue to understand the importance of their personal data, governments are beginning to take the ways in which companies store, protect, and use customer data extremely seriously.

# Key Take Aways

# Get your data house in order, stat



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Source: <https://www.forrester.com/report/How+Dirty+Is+Your+Data/-/E-RES73121>

# Key Take-Aways

## CCPA Compliance and Beyond

- Determine if you're a business collecting or selling consumers' information
- Get your Data Audit done: What data do you have? Where is it from? How is it being used?
- Review transparency and notice obligations
- Be able to respond to consumers' personal information access requests
- Know rights of erasure, objection to sale, and non-discrimination
- Update your website in accordance with CCPA requirements to post "Do Not Sell My Personal Information" on your homepage
- Assess marketing value of data vs. litigation risk with penalties
- Educate staff with consumer response strategies and keep them up

Future Proof: Define and Build an Ethical Data Use Framework

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# QUESTIONS?

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