



Data privacy - An industry perspective 2018



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Introduction

Welcome to the Data privacy report, the new name for our series of studies about marketers' attitudes towards the GDPR. This report contains the results of the sixth survey we have conducted, with previous editions being published as part of the 'GDPR & You' series in the run-up to 25 May 2018.

The views of the industry represent the first in-depth consideration of the GDPR's impact since the implementation deadline passed in May. We also cover marketers' awareness and key concerns about the ePrivacy Regulation, although the text of that law is not yet finalised.

These latest results show that most businesses have taken the steps required to become compliant with the new laws, albeit with some work to be done in specific areas. It's gratifying to see that most organisations have not seen the new laws simply as a legal hurdle, but have taken on board the benefits to their businesses of putting the customer at the heart of everything they do.

Of course, 25 May was just the start and, as the data and marketing industry, we need to ensure we continue to be diligent with data. We must be transparent with our customers about what personal information we have, why and what we'd like to use it for. This customer-centric attitude to data is a must and will allow organisations to continue to thrive in the coming years.

Beyond GDPR, this report now covers some of the upcoming challenges the data and marketing industry must be ready to face. Despite the timeframe for the ePrivacy Regulation being unclear, it's encouraging to see how many in our industry are aware of the potential impact it may have. Not to mention Brexit and the vital importance that the UK retains a free flow of data with the EU if our sector is to remain a global leader.

Whatever 2019 and beyond have in store, GDPR should be seen as offering some welcome stability and legislative homogeneity as we build a new relationship with the EU and ensure the free flow of data. The key for brands is building trusted, authentic and transparent relationships with customers, always guaranteeing they are businesses' top priority.

Chris Combemale,
CEO of the DMA Group



Executive summary

Awareness of the GDPR is at its highest since April 2016. Today, 90% of marketers rate theirs as “good”, an increase of 13% compared to 12 months ago.

Individuals’ confidence in their understanding of issues surrounding the GDPR has increased, with 90% of respondents rating it as “good”.

Marketers do not have the same belief in their organisations’ knowledge: only 40% think people within the businesses they work at possess a “good” understanding.

The number of marketers who think the GDPR will have no impact on their organisation’s ability to meet customer needs remains around half (52%), while positive sentiment declined slightly from 36% in April to 29% in September.

Marketers believe the GDPR is hindering their sales efforts, with some 57% thinking the laws create a more difficult sales environment and just 10% saying it will be easier.

Despite this, the number of marketers who believe the long-term benefits to their business will more than make up for the cost of complying has doubled since April, from 16% to 32%. Those believing the effect will be negative has dropped from 56% to 41% over the same period.

Most marketers (89%) have now received GDPR training, up from 72% in April. Moreover, most are satisfied with the amount of training they’ve had – 70% compared to 54% in the previous survey who believed it was at least adequate.

There has been a spike in the level of proposed activity marketers intend to take to fully comply with the GDPR; 89% have already updated their privacy notices, which compares to 38% in April. An additional 80% have now conducted data audits.

Implementing data privacy by design (18%), staff training (18%) and conducting Legitimate interests assessments (16%) are the three main priorities cited by marketers going forward.

The vast majority of marketers are now aware of the proposed ePrivacy Regulation – the proportion who aren’t has dropped from 26% to 12% since April.

Marketers are split in their attitudes towards the long-term future under the GDPR. Almost half (49%) think cyber security at their organisation and customer trust will be improved, but 59% say customers’ online journeys will be hindered.

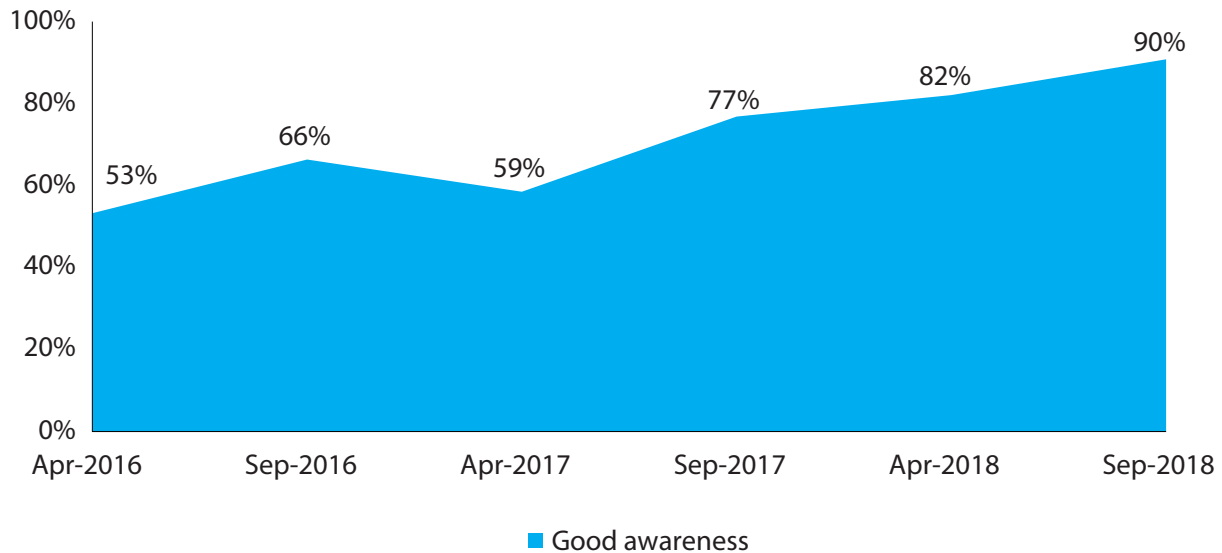
On Brexit, most marketers (78%) believe the UK should adhere to the existing GDPR legislation – with a further 11% even wanting stricter rules.

Half of the marketers surveyed (51%) say they are concerned about the financial impact of Brexit causing difficulties in the free flow of data.

Awareness and preparedness

Nine out of 10 marketers now claim to have a good awareness of the changes required under the GDPR. This has risen steadily over the last three years' worth of surveys.

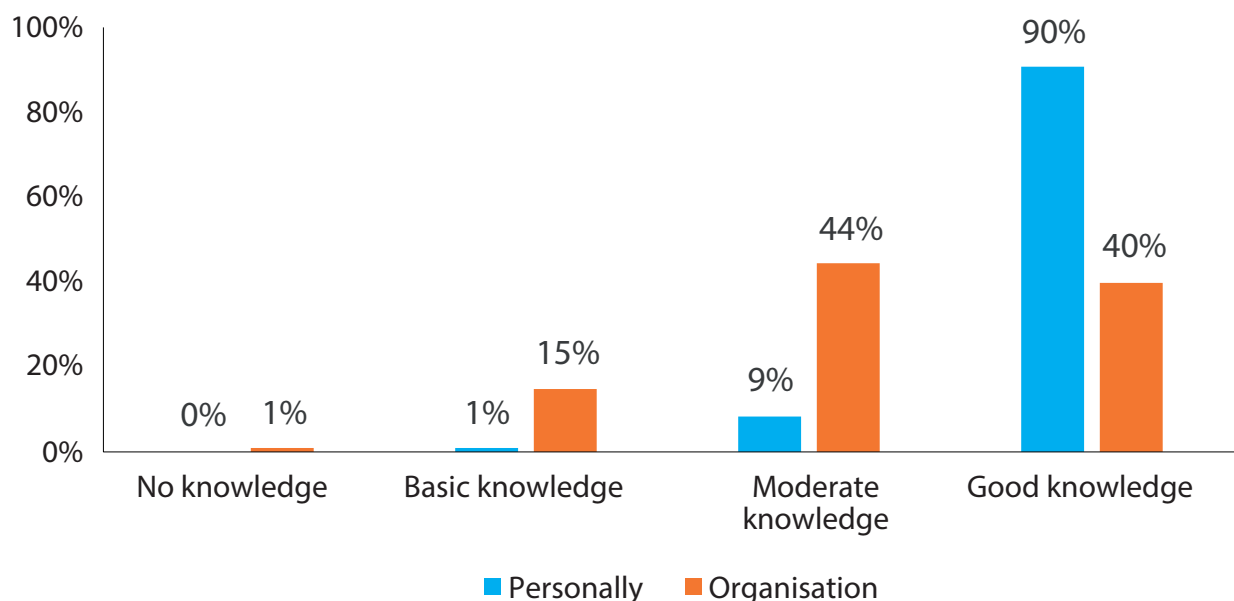
How aware are you of changes from the new General Data Protection Regulation (GDPR)?



Marketers have more faith in their own knowledge of the GDPR than the wider organisation they work for. Some 90% claim their understanding is good while only 40% have the same level of confidence in their colleagues' collective knowledge.

This seems a fair assessment given marketers are the people working most closely with the GDPR and have consequently been more exposed to related communications. It remains important everyone within businesses understands what the new laws mean for them.

At this time, how would you define your own awareness and your organisation's knowledge about these changes?



Before 25 May, 77% of respondents believed their organisation was well prepared to meet the strictures of the new laws, with only 16% saying their firm was unprepared by that date.

Now that the dust is settling after the compliance deadline, there is also a healthy amount of confidence about current compliance levels. On average, respondents consider their organisations to be just over 82% compliant, with a fifth (20%) even claiming their business is 100% in line with the new rules.

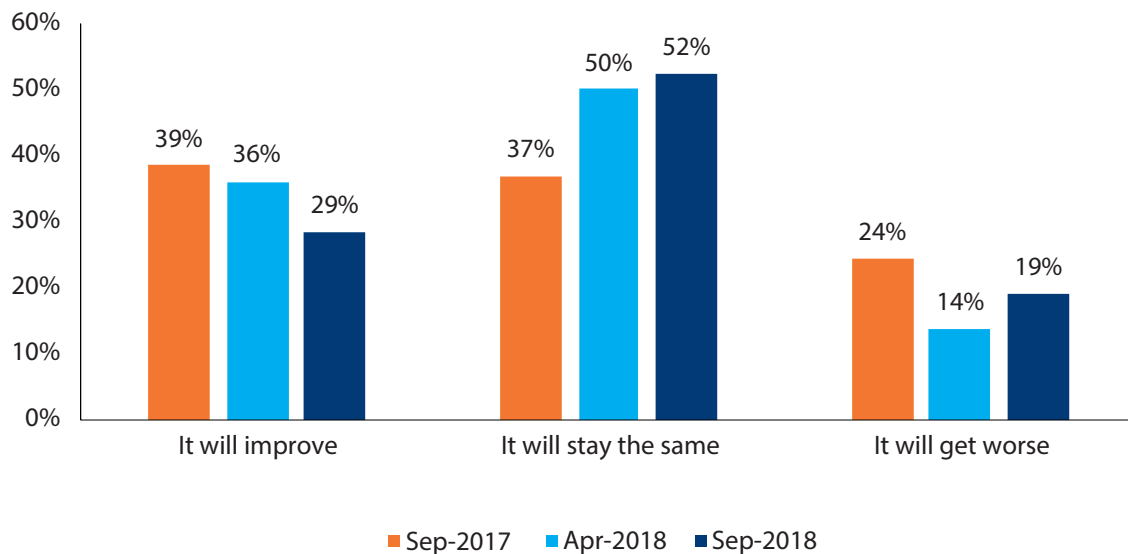
Marketers in B2B are slightly bolder, claiming their organisations are around 85% compliant, compared to 82% of consumer marketers. Perhaps those in B2C are less confident given the volume of personal information on customers they may have.

Impact

For the first time, we're able to glean marketers' thoughts on the impact of the GDPR post-implementation.

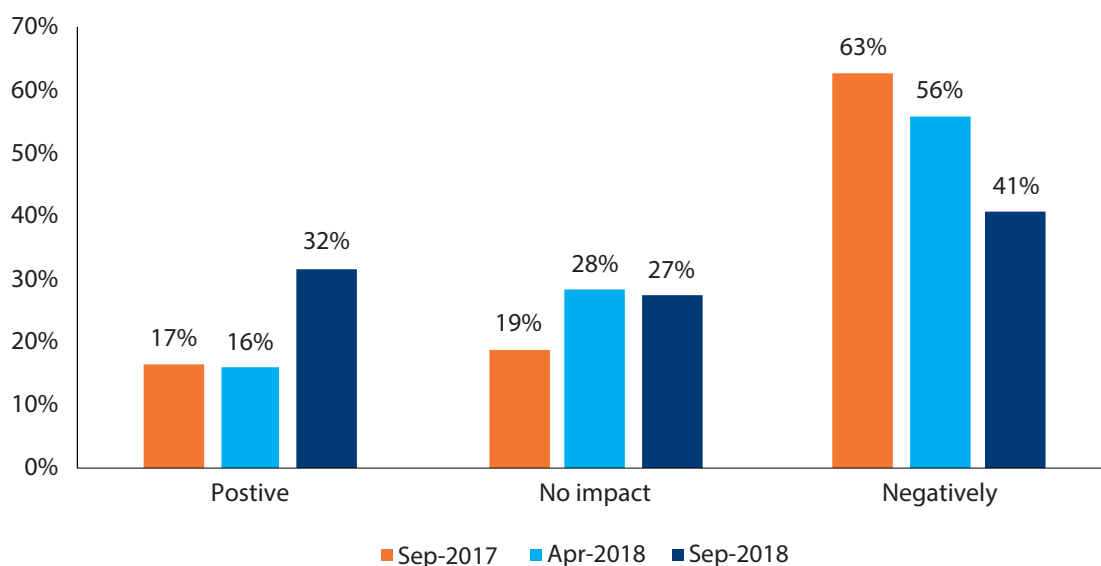
The proportion of marketers believing the new regulation will have no effect on their organisation's ability to meet their customer's needs has increased slightly from 50% in April 2018 to 52% in September 2018. Positive sentiment has declined over the same period, now less than a third (29%), compared to 36% previously. Moreover, around a fifth (19%) believe customer service will be negatively impacted, up from 14%. It will be interesting to see if this anxiety increases in future surveys.

What impact do you think the GDPR is having on your organisation's ability to meet your customers' needs?



Conversely, marketers increasingly believe the business they work for will experience long-term benefits from the GDPR. The proportion who feel positive that the cost of complying with the regulation will eventually pay dividends has doubled from 16% prior to May to 32% in September; a further 27% now feel there will be no impact over time; and 41%, considerably lower than 56% in April, say the GDPR will negatively affect their organisation.

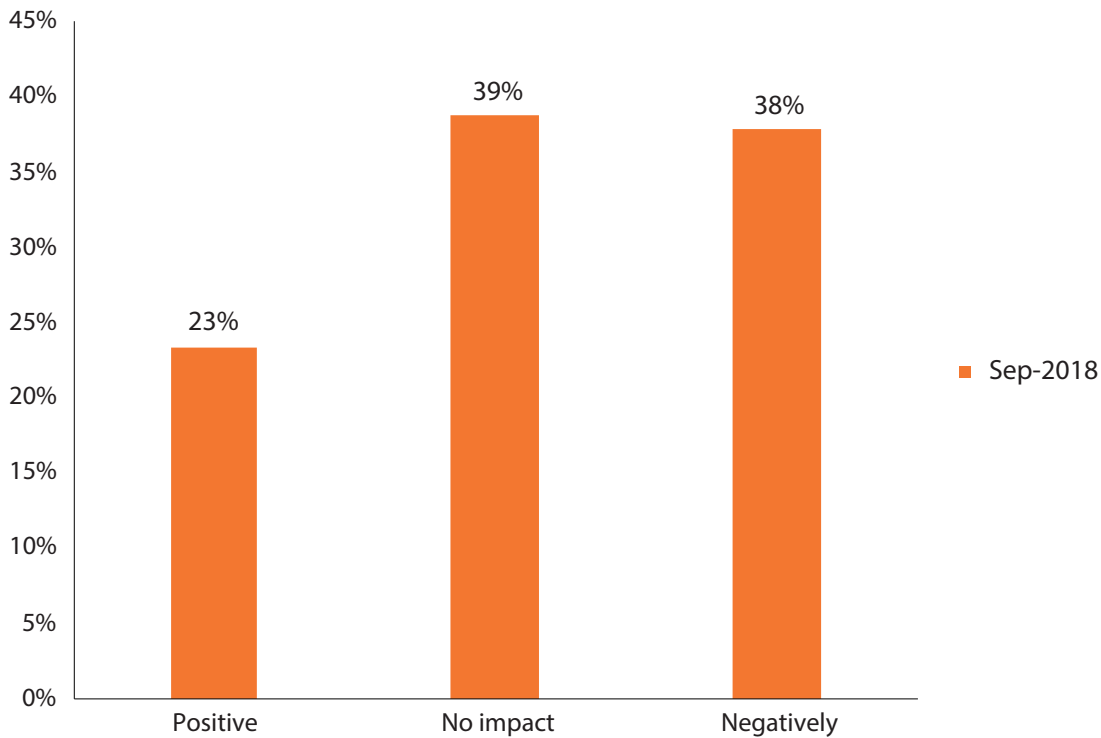
Thinking about the cost of compliance with the GDPR, in the long term, how will this have an impact on your business?



Consumer-focused marketers were the cheeriest here, with 52% picking positive impact against a third feeling negative (33%). In B2B, the reverse was true with 29% feeling positive compared to 35% predicting a negative impact.

Despite generally thinking the GDPR is good for business as a whole, marketers believe it makes sales harder – with 38% saying it will have a negative impact and just 23% feeling the opposite. B2C marketers see the most trouble ahead too, with 57% believing the new regulation creates a more difficult sales environment and just 10% thinking selling will be easier. In B2B, on the other hand, marketers were split relatively evenly between the positive, no impact and negative options, revealing greater positivity about their future sales efforts.

Thinking about the cost of compliance with the GDPR, in the long term, how will this have an impact on your sales?



There has been much discussion of consumers “taking control” of their data and the threat of mass communication opt-outs, which may be the cause of B2C marketers’ anxiety. Meanwhile, B2B marketers clearly believe they are unlikely to be affected in quite the same way. The next challenge for both B2B and B2C marketers may be the proposed ePrivacy Regulation, which we’ll explore later.

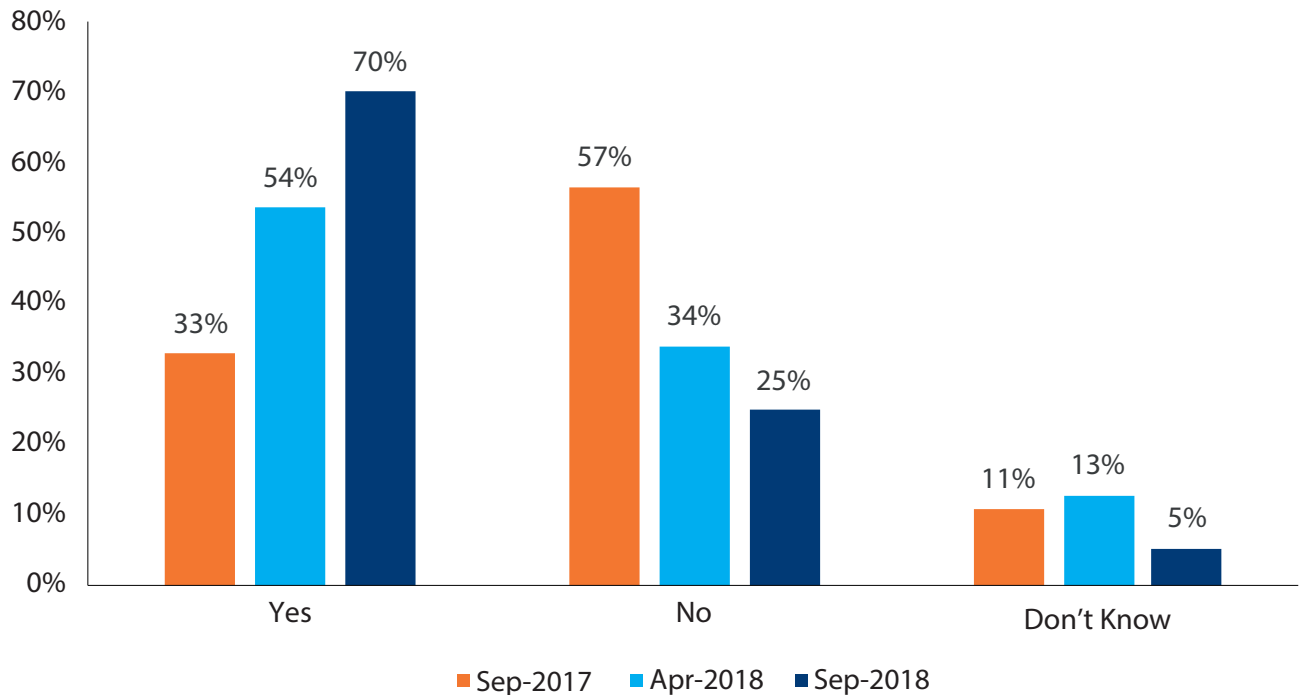
Despite the concern surrounding sales, compliance is likely to improve customer sentiment towards brands in the long-term. Marketers certainly feel more confident overall about the effect of GDPR over time. Fewer than previously recorded now believe the law will hinder their marketing efforts, while the proportion who think customer benefits will outweigh the business cost of compliance has increased. Some 57% of respondents agree with the latter statement.

Training

Encouragingly, 89% of marketers say they have now received GDPR training. This figure has risen steadily from just 58% in September 2017 and 72% in April 2018. Only 11% claim they or their colleagues haven't accessed training.

The proportion of respondents believing the training they've undergone is at least adequate has also risen since the previous survey. In April 2018 it was 54%; now it's 70%. Just a quarter currently feel they lack the required training compared to a third six months ago.

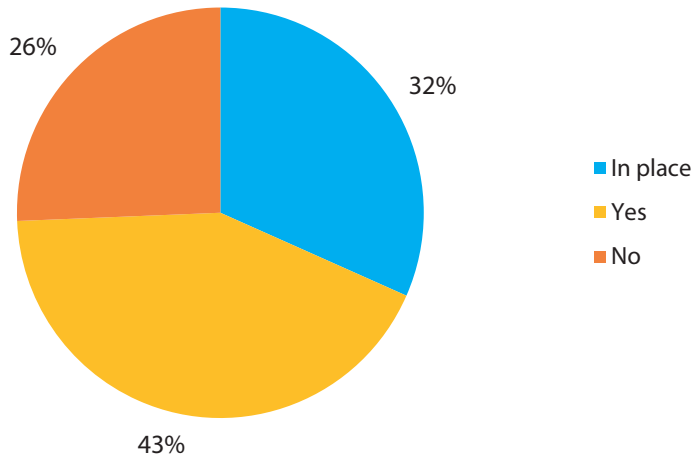
Do you feel your team has had enough/appropriate training in order to comply with the GDPR?



Interestingly, B2C marketers are more split about the level of GDPR training they've received. Half say it's appropriate, but 40% say it isn't. Marketers in B2B are more satisfied, with 83% agreeing they've had enough training.

This training also appears to have come from a range of sources, with in-house expertise the most popular (48%), followed by trade body input (21%), external consultants (18%) and professional training institutes (11%).

Regardless of the amount of education people have been exposed to up to this point, changes brought about by the GDPR are significant and will continue to make waves for years to come. Almost half (43%) of respondents recognise this, saying they would like access to ongoing training. In fact, 32% say it's already available to them.

Would you like ongoing training for the GDPR at your organisation?

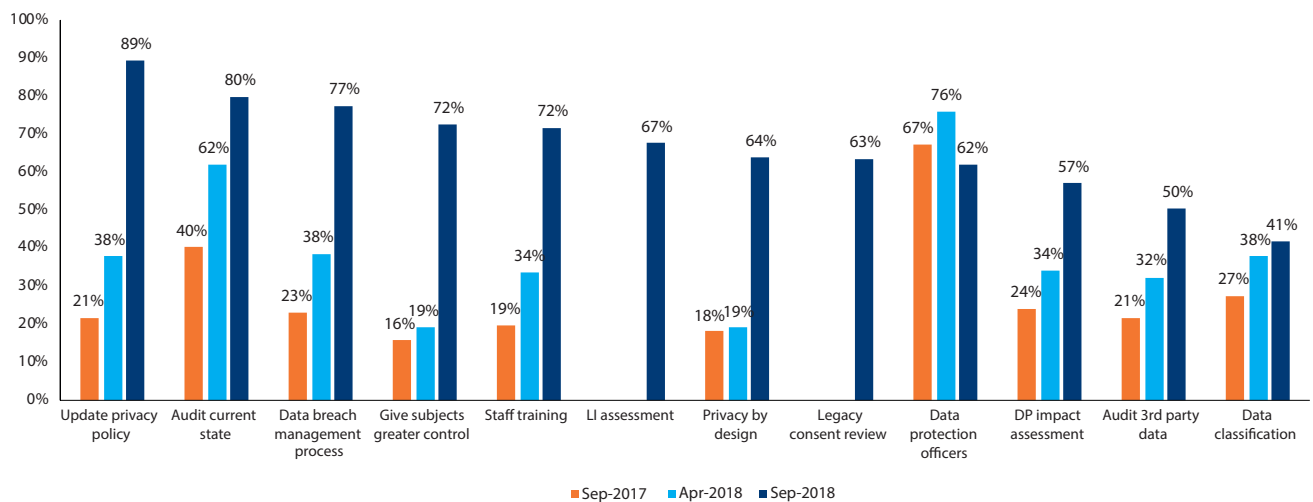
Training should not be treated as a one-off, particularly as case law will likely throw new light on some aspects of the regulation as time goes on. The onus is on organisations to equip employees with the right knowledge to remain compliant, and even though marketers generally feel confident in this area they should encourage the senior team to train the whole business.

Priorities and concerns

There was a notable rise in activity to ensure compliance compared to the previous survey – conducted in April 2018 – just prior to the implementation deadline. Many organisations have “already implemented” many of the long list of priorities, suggesting strong awareness has translated into action and understanding of the required changes under the GDPR.

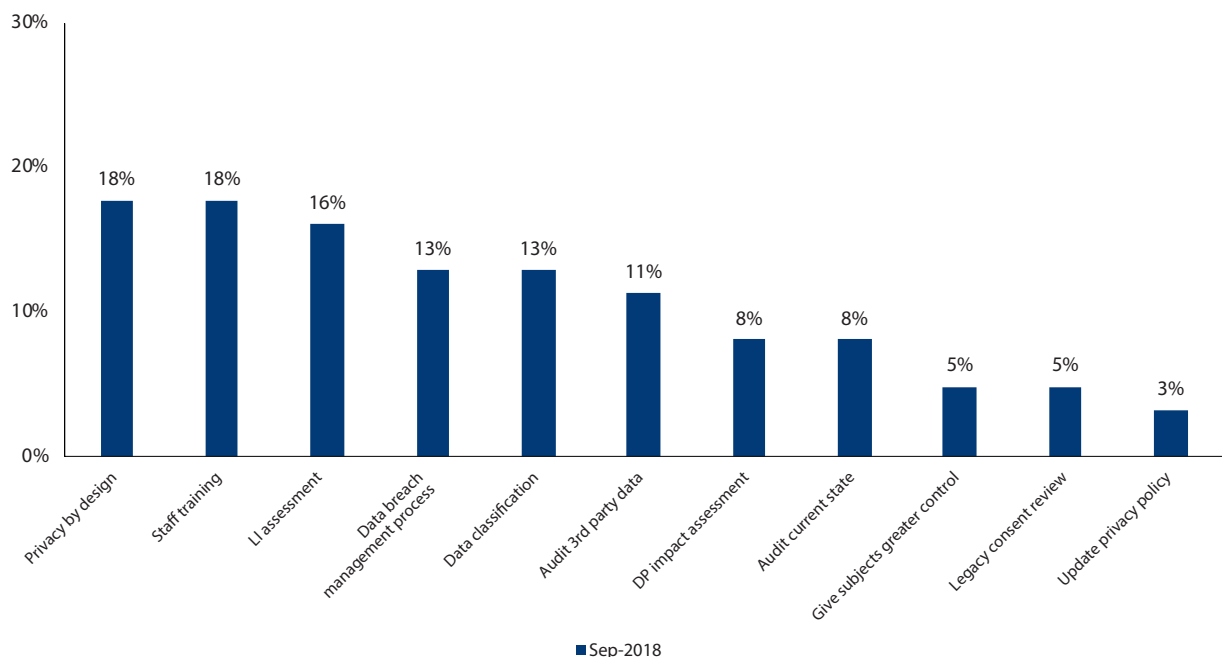
For example, 89% have updated their privacy notices according to the latest poll, compared to 38% pre-deadline. Some 80% have conducted a data audit at their organisations, compared to 62% previously. More than three quarters have put a data breach management process in place; in April 2018 it was just 38%. And 72% have improved data subjects’ control over their personal information, up from 19% in the previous survey.

Which of the following have you ‘already implemented’ as part of your preparation for the GDPR?



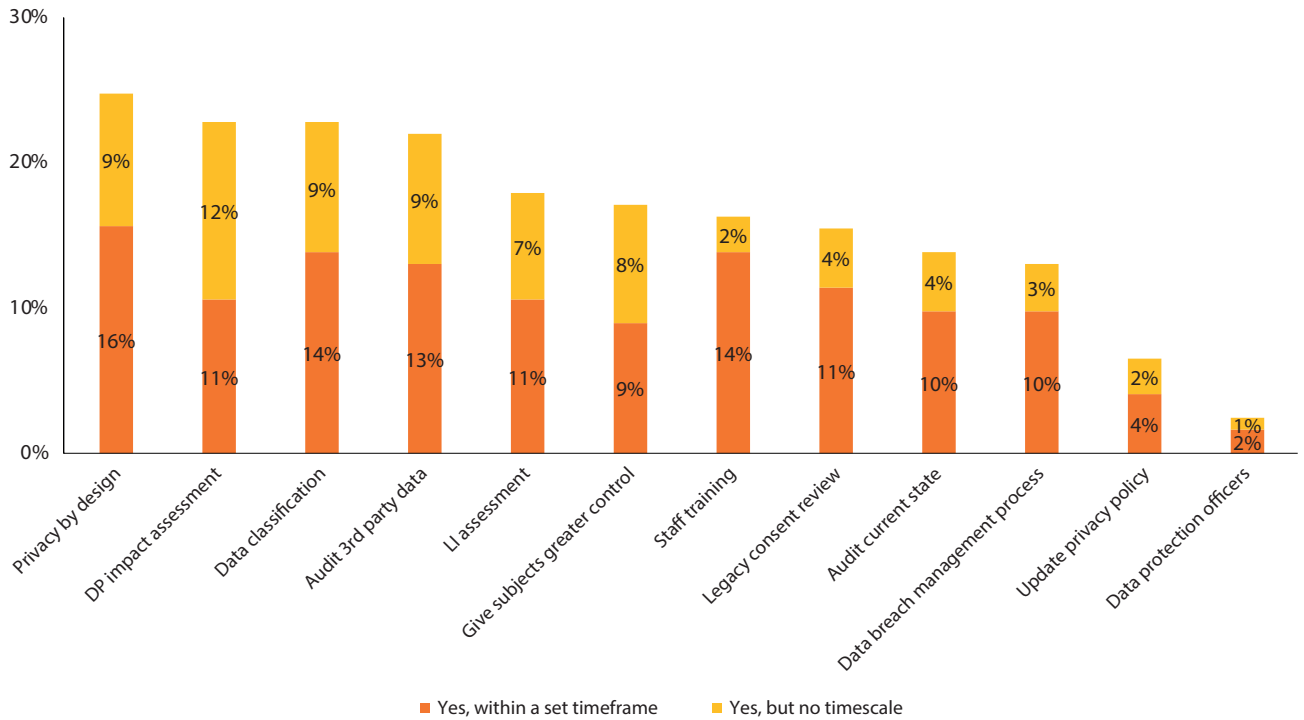
Priorities for organisations are implementing data privacy by design for your data processing (18%), staff training (18%) and conducting legitimate interest assessments (LIAs) for marketing campaigns (16%). But there are also slightly different priorities for B2B and B2C marketers. For those in business-to-business staff training is key (26%) alongside privacy by design (26%), while consumer marketers are focused on data classification (31%) and conducting LIAs (23%).

Among all the changes we just mentioned, what are the biggest priorities for you and/or your organisation?



Despite organisations having broadly prepared for the new laws, there are some notable areas where organisations still need to implement new processes or technologies. Here we also see a split between those that appear to have an implementation plan and those that don't. For example, one in four marketers (25%) have plans to implement data privacy by design for their data processing, but within this 16% have a set timeframe and 9% have not. The other key areas at least one in five organisations are planning to tackle in the coming months include conducting data privacy impact assessments for marketing campaigns (23%), employing a data classification programme (23%) and auditing third-party data (22%).

Do you plan on implementing any of the following to prepare for the incoming changes?



The research highlights a number of areas of concern that businesses will need to continue to address post-May, but it's encouraging to see so many organisations remain intent on implementing all the processes that will be crucial to compliance with the new laws now and in the future.

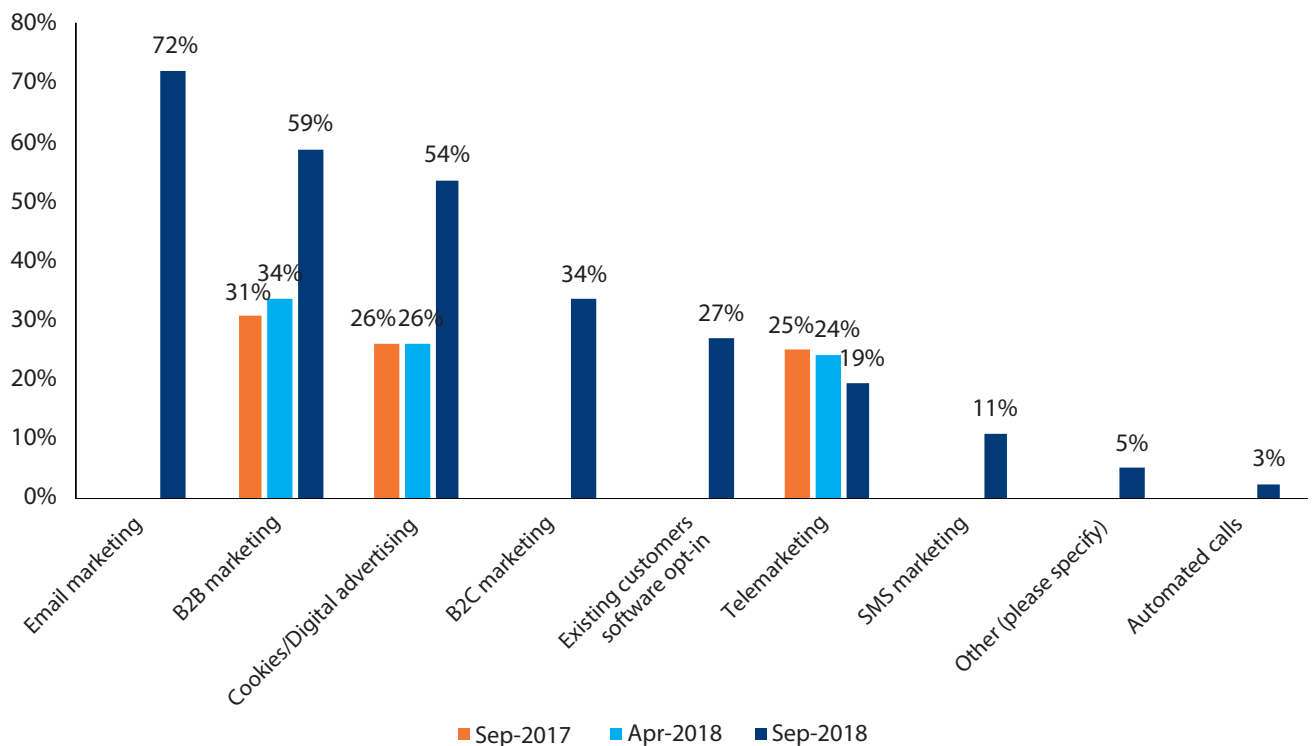
ePrivacy Regulation

As noted earlier, the ePrivacy Regulation could be the next challenge for marketers and the organisations they work for to navigate. While timings remain unclear – at the point of publication discussions have reportedly been pushed back to at least 2020 – awareness of the regulation is rising fast.

In April 2018, a quarter of respondents admitted they hadn't heard of ePrivacy; in September 2018 it's just 12%. A third (32%) now claim to have moderate awareness of the forthcoming legislation and a further 29% are confident enough to state their awareness is good.

Respondents collectively cite changes to email marketing as their biggest concern (72%), and more than half (54%) rate cookies being under threat as a worry, almost twice the proportion indicated earlier this year. Meanwhile, B2B marketers are becoming more alarmed about the proposed changes: 59% worry about it compared to 34% in April 2018. The figure for B2C marketers currently stands at 34% – this was also the first time we asked about consumer-focused marketing concerns.

The ePrivacy regulation will mean a number of changes in the following areas. What are the biggest concerns for you and/or your organisation?



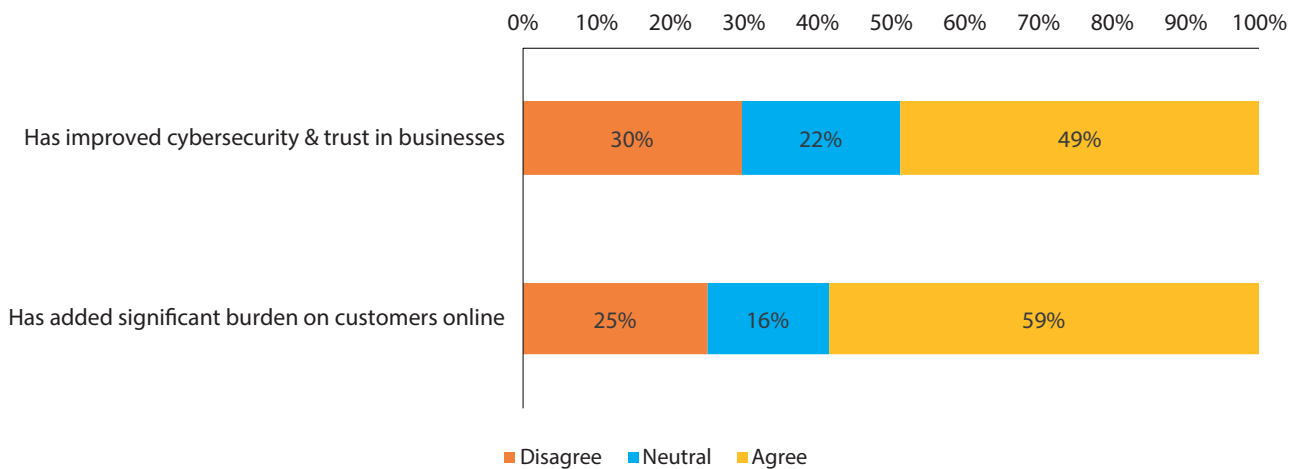
The future

In line with attitudes towards the anticipated long-term impact of the GDPR, a significant proportion of marketers (49%) agree that the new regulation improves cyber-security and also customer trust.

However, almost two thirds (59%) believe the new laws have increased the burden on customers interacting with an organisation online. In other words, the customer experience is no longer able to be as smooth as prior to the new laws and marketing has got harder as a result.

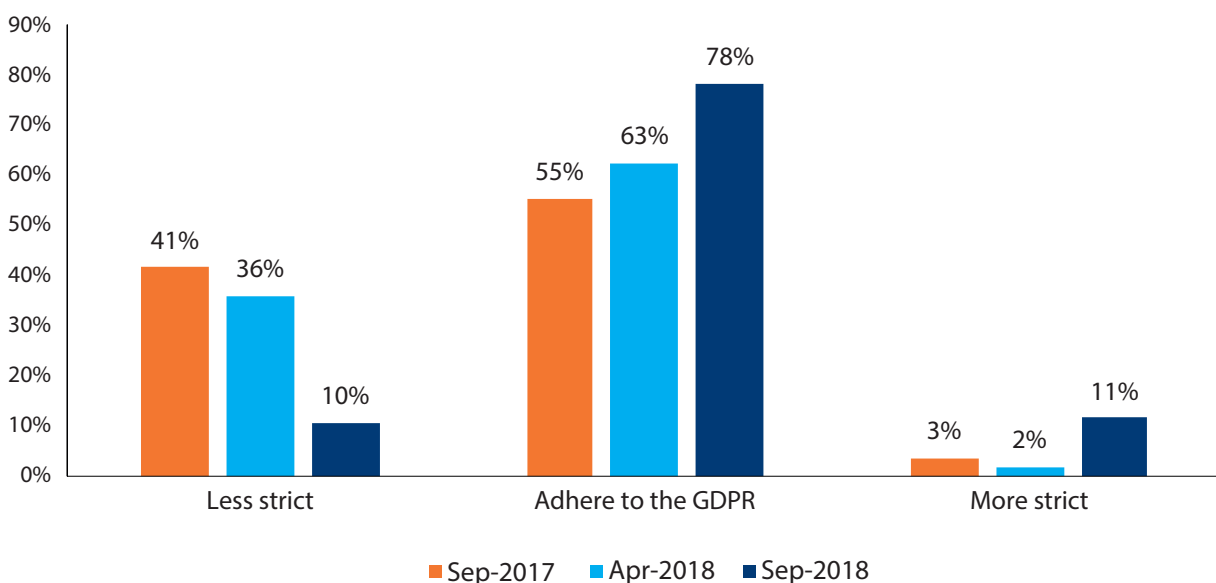
How much do you agree with the following statements?

"The introduction of new data protection legislation..."



That said, the upward trend of marketers believing that the GDPR is the best way to police data protection continues, with 78% agreeing this is the case. This has risen from just over half (55%) a year earlier. In the most recent survey, an additional one in 10 marketers (11%) went as far as to say they believe the law should be stricter, although a similar number (10%) equally believe they should be less strict.

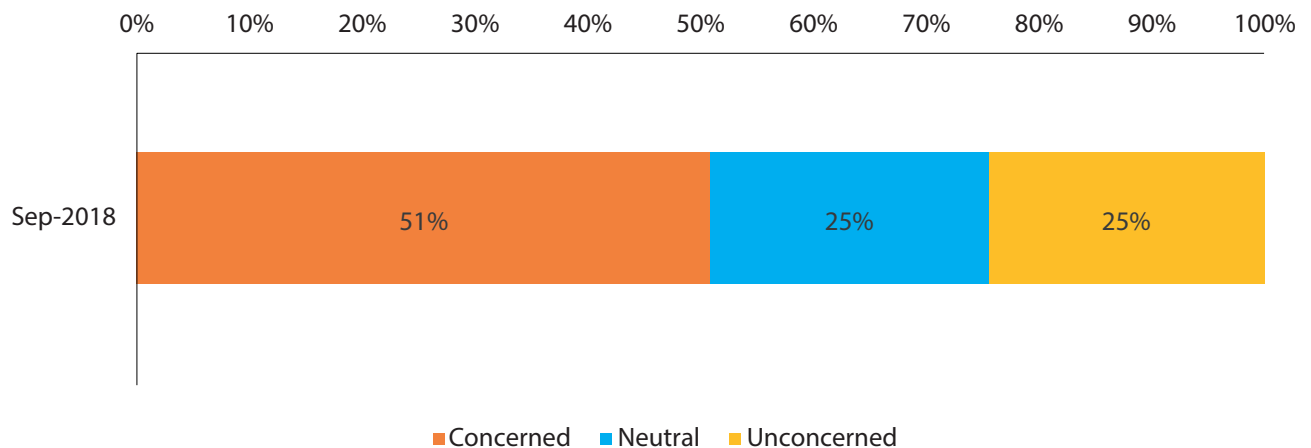
In the future, what would be the best data protection policy for the UK?



Almost 90% of marketers now want Britain to retain access to a 'digital single market' after Brexit, up from 78% in the previous study. Far fewer respondents are sitting on the fence, with only 8% unsure about ongoing access and just 3% arguing against it.

Meanwhile, 51% are concerned that there will be a financial impact associated with exchanging data between the UK and the EU post-Brexit. The DMA and Fedma continue to lobby the Government on this issue in a bid to ensure the continued free flow of data, bolstering the UK's position as a global leader in data and marketing.

Think about the potential difficulties in exchanging data between the UK and the EU. From a financial point of view, how concerned would you be?



The results of this latest study highlight some of the challenges businesses have faced in preparing for the GDPR, but the majority appear to have achieved a high level of compliance. However, it also points to challenges ahead around Brexit, ePrivacy and the long-term impact of the new data laws, too.

Training has been a key factor in businesses getting ready and confidence in facing the changes brought about by the new laws. As such, continued education will be fundamental in keeping marketers up-to-date on the latest best practice around GDPR and prepared for any future legislative changes.



Methodology

The 'Data privacy – An industry perspective' report is an initiative undertaken by the DMA's GDPR Taskforce.

The research was conducted in August/September 2018 via an online survey, it was promoted on the DMA homepage and via various other sources. DMA members found a link via a select number of weekly newsletters, social networks and websites.

The data were collated and analysed by the DMA Insight department. The report was written by the DMA Insight department. The final report was produced in collaboration with the DMA's External and Internal working parties and designed by the DMA's in-house design team.

The survey consisted of a maximum of 29 questions. These questions were reviewed by the DMA and the working parties to ensure relevance to the current state of the industry.

The survey had a total of 157 respondents. Respondents represented a range of department types, sectors and career levels.

Of those answering the relevant question, 46% worked in B2B marketing, 20% in B2C, and 34% worked in both B2B and B2C. In addition, 45% were from senior positions, 43% from mid-level and 12% junior roles.

Where groups of respondents have been compared, statistical significance was determined using Fisher's Exact Test.

If you have any questions about the methodology used in the report, you can contact the DMA's research team via email: research@dma.org.uk

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A DMA membership is a badge of accreditation. We give the industry best-practice guidelines, legal updates and a code that puts the customer at the heart. We represent a data-driven industry that's leading the business sector in creativity and innovation.

One-to-one-to-millions marketing attracts the brightest minds; individuals that will shape the future. By sharing our knowledge, together, we'll make it vibrant.

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