

GDPR and you

Chapter two

2016

Responsible Marketing

DM
Data &
Marketing
Association **A**

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/ Glossary: phrases used in the GDPR

This is intended for anyone who isn't familiar with the data protection lingua franca. If you think any other terms or words should be added to this list, get in touch with our external affairs manager, Zach Thornton, via email: Zach.Thornton@dma.org.uk

- **Anonymous data** – A process that removes personally identifiable information from a data set. This means that the data subject cannot be identified.
- **Consent** – In the GDPR it means 'any freely given, specific, informed and unambiguous indication' of a person's wishes and is one of the legal grounds organisations use to process personal data.
- **Data breach** – When an organisation loses control of personal data it holds and cannot guarantee its security. A recent example is the Talk Talk hacking scandal in which hackers stole personal data belonging to many thousands of Talk Talk customers.
- **Data controller** – The organisation that is the custodian of personal data and decides how that data will be used.
- **Data classification programme** – A process of organising a data set to determine what personal data an organisation holds and categorising it. Appropriate security measures can then be taken to protect more sensitive data.
- **Data processor** – An organisation that processes data on behalf of the controller. For example, an email system that uses data collected by a high street bank to send its marketing emails would be a data processor.
- **Data protection officer or DPO** – An individual responsible for making sure an organisation is compliant with data protection law. The GDPR will require many organisations to hire a data protection officer.
- **Data subject** – A person whose personal data is held by an organisation.
- **GDPR** – Stands for General Data Protection Regulation. The piece of legislation created by the European Union (EU) that will update and harmonise data protection law across the EU.

- **Personal data, personally identifiable information or PII** – Any data that can identify a person. For example, name, phone number or personal email address. What is personal data is complicated by the fact that some data can be used to identify a person but in other instances could not. For example, the first half of your postcode, which identifies a geographic area.
- **Privacy by default** – Where a new product or service has its privacy settings set at the highest level by default. The customer can then choose to change those settings if they so wish.
- **Privacy by design** – This means thinking about data protection and privacy issues at the start of a campaign, not leaving data protection policy to the legal or compliance team. Marketers should be thinking about the impact of a campaign on privacy and possible steps to mitigate those risks.
- **Privacy impact assessment** – The formal process of checking a marketing campaign to ensure it is compliant with data protection law but also to identify potential risks. Where needed, action should be taken to mitigate potential adverse risks to privacy.
- **Privacy policy** – Explains to people how their personal data will be used by an organisation, who the organisation are and any other extra information. Privacy policies are also known as ‘privacy notices’ or ‘how we use your information/data’ but there are others.
- **Profiling** – Defined as any form of automated processing that analyses personal data to make predictions, segmentations or other groupings. For example, Sainsbury’s Nectar card collects personal data and tracks buying habits to profile people and send offers on products and services they enjoy.
- **Processing** – How organisations make use of personal data whether by collection, recording, structuring, storage, dissemination, erasure or any other method. Collecting email addresses and sending out marketing communications via email is a form of data processing.
- **Pseudonymous data** – Data that has been encrypted to make it unreadable without a key to unlock the data set. This is a privacy measure advised in the GDPR.
- **Third party** – An organisation or person permitted to process personal data by the data controller or processor. May also refer to a ‘third party data supplier’, who collects data to sell to third parties for marketing purposes. ‘Third party data’ is data bought by an organisation off a third party data supplier.

/ Introduction

Since the first edition of this survey was conducted and published in the summer of 2016 much has changed.

To the surprise of many, the EU referendum showed a marginal preference for leaving the European Union. Implications for the GDPR became confused. Would this make the new rules irrelevant? When will we leave the EU and will this change our data protection rules further?

Marketers are naturally asking such questions, and after some weeks of genuine uncertainty the answers eventually came: firstly, when we do leave the EU the GDPR will already be in force; and secondly the 'Great Repeal Bill' proposed for when we do leave will make most EU laws UK law, and this could include the GDPR. DCMS Minister Karen Bradley confirmed that the GDPR will apply in the UK from May 2018.

May 2018 should, therefore, be a date that is in every marketer's diary, giving us around 16 months before the GDPR comes into force.

As such, it's concerning that only half of our industry feels their businesses are prepared for the new rules and not that many more believe they will be ready in time. The finish line for GDPR readiness is fixed and the risk to businesses of not being compliant is significant. Our advice is to continue preparations in earnest over the coming year, as not making it across the line in time is not an option.

The data-driven creative industries are the engine that will continue to drive growth in the UK economy post-Brexit. The status of our relationship with Europe does not change the need for UK businesses to prepare for GDPR and it's concerning to see that only two-thirds of the industry currently expects to be ready for May 2018.

More worrying still is that the B2B community continue to underestimate the impact GDPR will have on its businesses and how it engages customers, with both awareness and preparedness lagging behind most marketers.

In an increasingly global digital marketplace, Brexit does not change the behaviours that companies must adopt in order to succeed and build long-term relationships with customers based on transparency and trust.

As before, we urge businesses, particularly those working in B2B marketing, to look again at their GDPR plans. For access to the EU, the largest single market on earth, businesses need to comply with the new changes.

For the latest advice and new guidance, which is constantly updated for the latest information, please visit our dedicated GDPR area of the site at <https://dma.org.uk/gdpr>

Chris Combemale,
CEO of DMA group

/ Executive Summary

Fewer marketers are unaware of the GDPR, those with 'good' awareness rising by 13% to two-thirds (66%) of respondents.

More than a quarter of respondents (26%) feel their business is unprepared for the GDPR, a decrease of 4% since June 2016, while those who feel their business is 'prepared' rose 11% to 56%.

More than two thirds (68%) said their business would be GDPR compliant by May 2018.

Top priorities for marketer are 'conducting impact assessments' (for 42%), 'giving data subjects greater control of their data' (36%) and 'revising your data policy' (31%).

Marketers believe consent (70%), profiling (50%) and legacy data (37%) would be the biggest concerns when the GDPR comes into force.

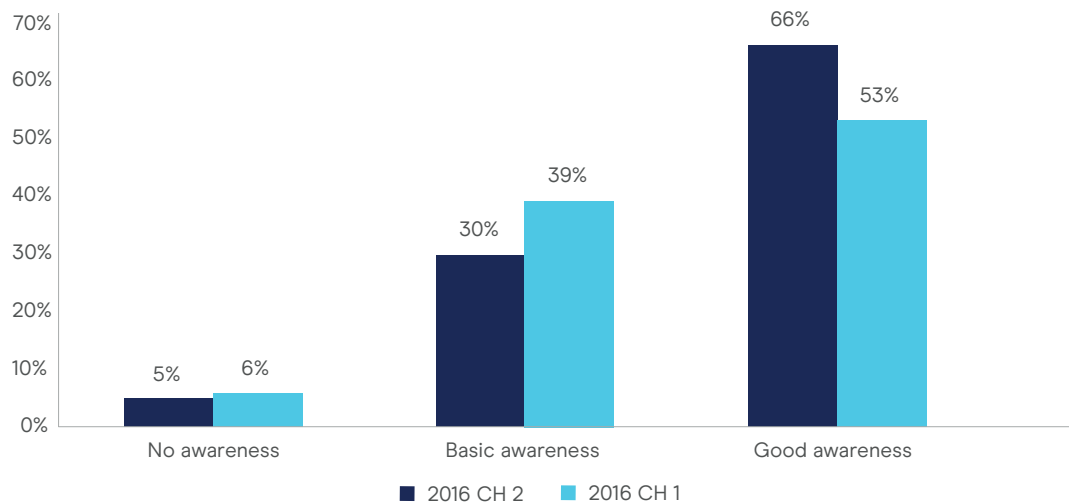
There is less of a Brexit effect than might have been imagined with the majority of marketers (91%) understanding that it will apply in one shape or another in May 2018, with a small number even accelerating their plans.

Three quarters of marketers (74%) agree that we should continue to work to the GDPR, but almost two in five (19%) believe we should adopt a 'less strict' version, and another 7% saying we should develop a 'more strict' version.

B2B marketers are both the group that feels both the least 'prepared' and the most 'unprepared' for the GDPR. They are also the group that may be underestimating the impact of the GDPR.

/ Awareness and preparedness

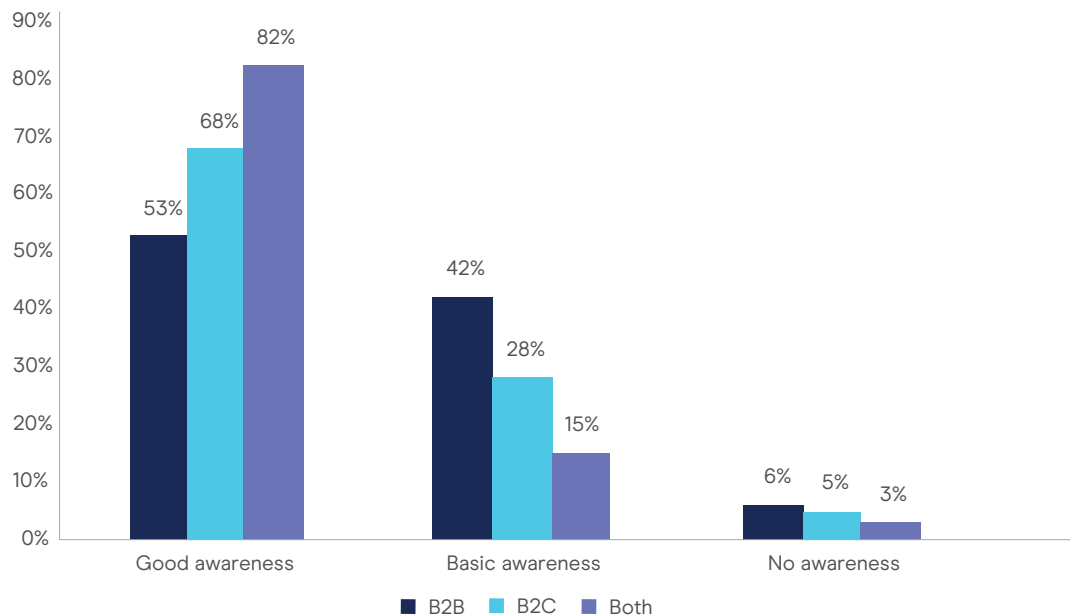
How aware are you of the incoming changes contained in the new European data protection regulation?



The most basic metric for tracking preparedness for the GDPR is how aware marketers, and the companies they work for, are of the incoming changes.

Compared to last year, fewer marketers have a 'basic' or 'no' awareness of the GDPR, with movement clearly towards 'good' awareness, up by 13% to two-thirds (66%) of respondents.

How aware are you of the incoming changes contained in the new European data protection regulation?



The GDPR knowledge of B2B and B2C marketers differs, as does the knowledge of those who work in both worlds.

Just as when we first conducted this research in June 2016, B2B marketers say they are the least aware of the incoming GDPR changes. However, they have increased their awareness significantly, those reporting a 'good' knowledge increasing by 13% to 53%.

B2C marketers also saw an increase, those with 'good' knowledge rising from 61% to 68%.

Finally, those who market to both B2B and B2C audiences showed the strongest growth, up 18% from 64% to 82% saying they had 'good' GDPR knowledge.

In the summer of 2016 we considered this apparent paradox – that those working in both B2B and B2C apparently have the best knowledge - to be down to B2B marketers underestimating the impact of the GDPR. The latest figures continue to support this hypothesis.

The perceptions of those operating in both B2B and B2C arenas is instructive.

B2C marketers have a good awareness of the GDPR, but they face fewer changes overall.

Those who market to both audiences will be aware of the GDPR changes and the current rules for B2C marketing, and understand how these changes apply to the B2B world, where there will be far more change.

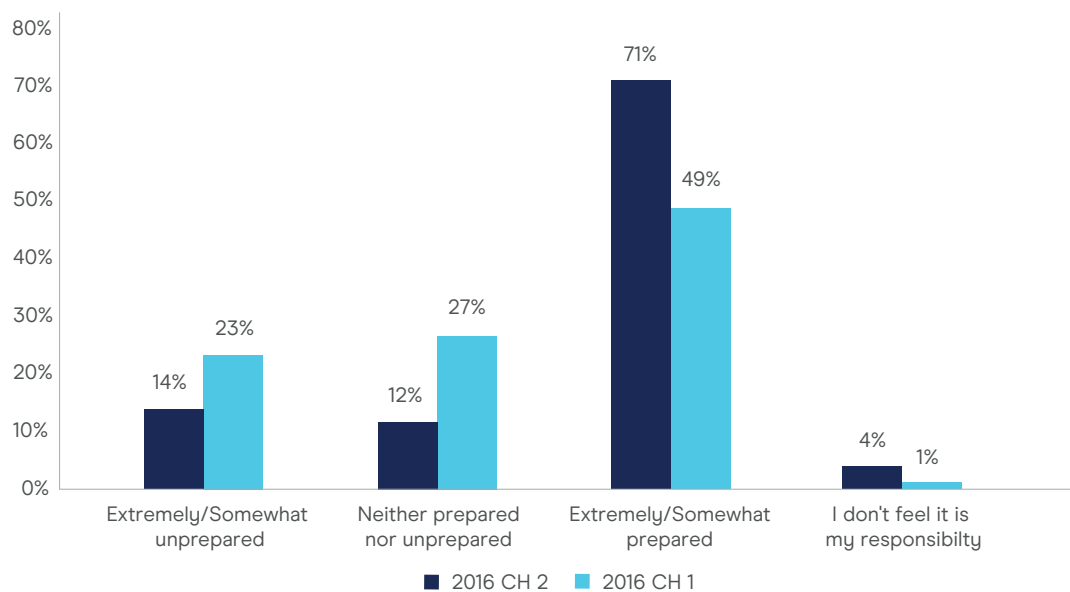
This leads us to once again consider that those working solely in B2B underestimate the impact of the GDPR. B2B marketers should double-down on preparing for the GDPR as many of the new rules will erode the differences between B2C and B2B marketing. Those marketing to both audiences can see these changes looming. Those working in B2B alone don't seem able to see these changes.

Preparedness

Awareness of the GDPR seems to be generally good.

How marketers transfer that awareness into action is another matter, but again the movement of opinion seems to be moving the right way.

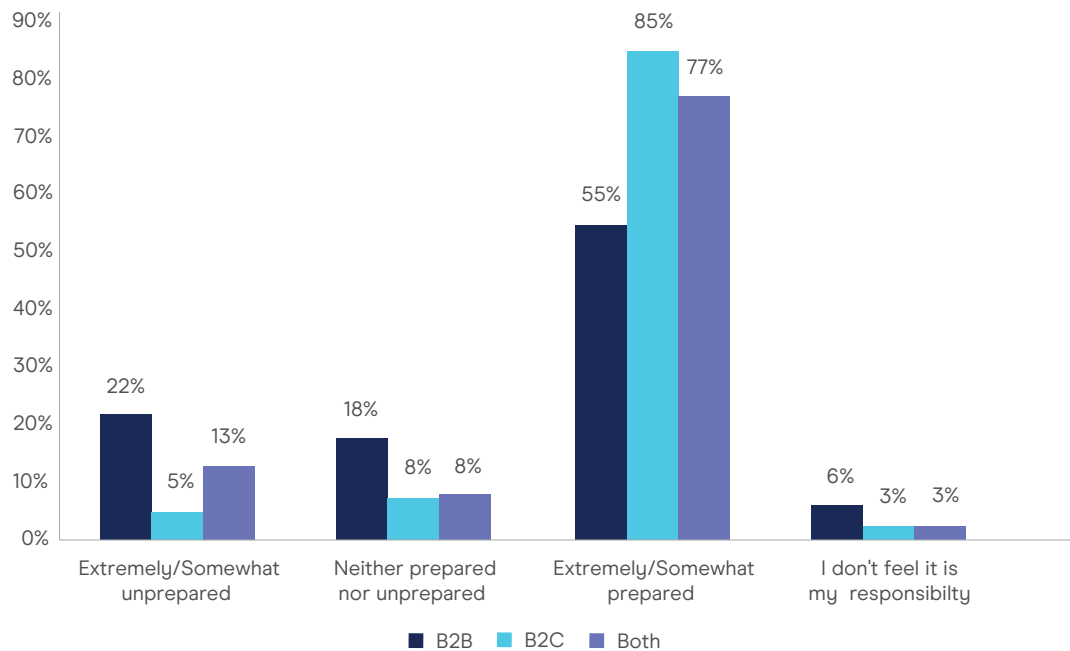
At this time, how prepared are you, personally, for these changes?



Since the first survey in June 2016, those who feel unprepared for the GDPR has fallen by 9% to 14% of the total. Correspondingly, those who feel prepared have increased from almost half (49%) to more than two-thirds (70%), with the remainder (12%) feeling neither prepared nor unprepared, a drop of 15% compared to when this survey was run in the summer.

There is a consistent movement of opinion from unprepared through ambivalence towards preparedness. Interestingly, those who feel the GDPR is not their responsibility has grown from around 1% to almost 4% of the total.

At this time, how prepared are you, personally, for these changes?



This movement is true for B2B and B2C marketers, and those who market to both, but the effect is stronger for those working in B2C and both B2B and B2C.

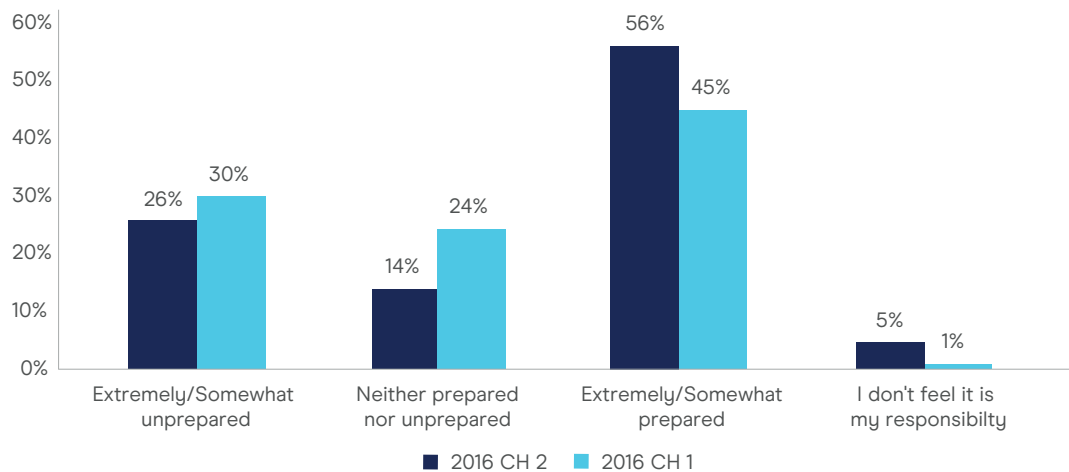
B2B marketers are the group who feel most 'unprepared' and least 'prepared'.

B2B unpreparedness is at a figure almost unchanged since the spring, dropping by just 1% to 22%. B2C marketers feeling unprepared dropped by 12% to 5%, and those who market to both audiences dropped by 14% to 13%.

For marketers who feel 'prepared' for the GDPR, 55% of B2B marketers said this was the case, a 19% increase, compared to 85% of B2C marketers, a 17% increase, and 77% of marketers who speak to both audiences, a 25% increase.

Interestingly, 6% of B2B marketers said the GDPR was not their responsibility, equivalent to the proportions in the other two groups combined, again suggesting that B2B marketers may be underestimating the impact of the new legislation.

At this time, how prepared is your organisation for these changes?



Similarly, the movement towards confidence in the GDPR is mirrored in how individuals feel their business is prepared for the GDPR, but this confidence is diluted when considering the whole company.

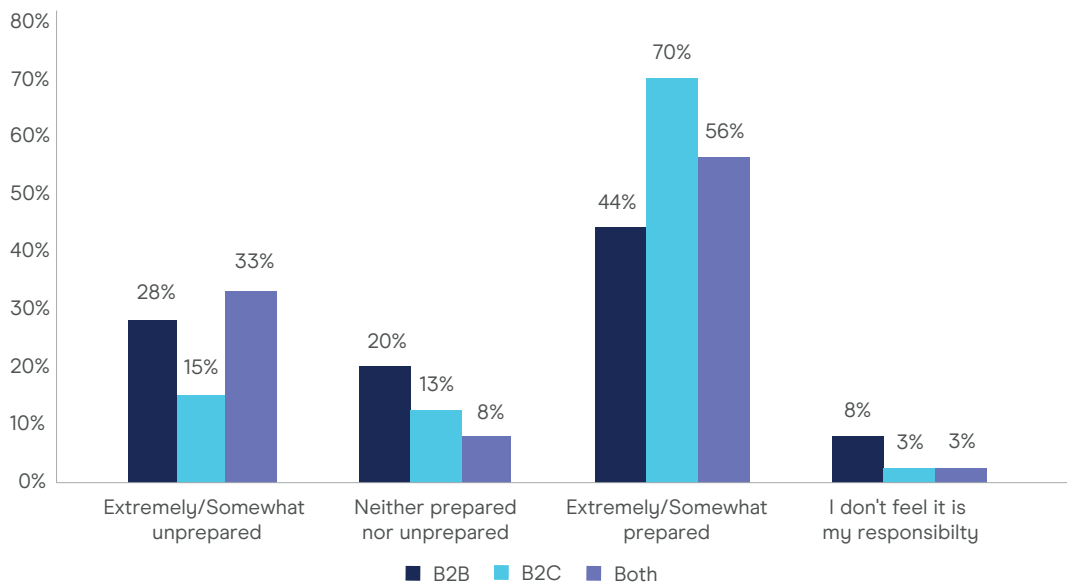
A quarter of respondents (26%) feel their business is unprepared, a decrease of 4% since the summer survey. A further 14% feel their business is neither prepared nor unprepared, a significant reduction of 10% over the same period.

Those who feel their business is prepared for the GDPR changes has increased by 11% to 56% of the total.

Clearly respondents feel that there is a lag between how prepared they are for the GDPR and how prepared their business is for the GDPR. This GDPR inertia should be tackled by businesses as a priority.

However, despite this lag, respondents overwhelmingly believed that their businesses were on course for compliance by May 2018. More than two-thirds (68%) said their business would be compliant by May 2018, while just 8% said they were behind plan.

At this time, how prepared is your organisation for these changes?



More worryingly, almost one in five B2B respondents (18%) said their business had 'no plan' for GDPR compliance.

According to what we know now, the GDPR will become UK law before any Brexit occurs, so for these businesses, tackling GDPR should be a priority, particularly as just 2% said they thought the GDPR would not have any impact on them.

The remainder of respondents agreed that the GDPR would affect them, with 17% saying they would be 'extremely' affected.

The splits between B2B and B2C marketers reveal interesting trends.

Of B2B marketers, those who feel unprepared fell from 30% to 28%. B2C marketers feeling unprepared fell from 32% to 15% and those who work in both increased from 27% to 33%.

Respondents who deal in both B2B and B2C marketing are less prepared now than they were in the spring – a surprising result.

Once again, this supports the idea that B2B marketers underestimate the impact of the GDPR, and those who are already more attuned to restrictions in data usage, because they deal with B2C messaging, could be finding more difficulties than previously thought.

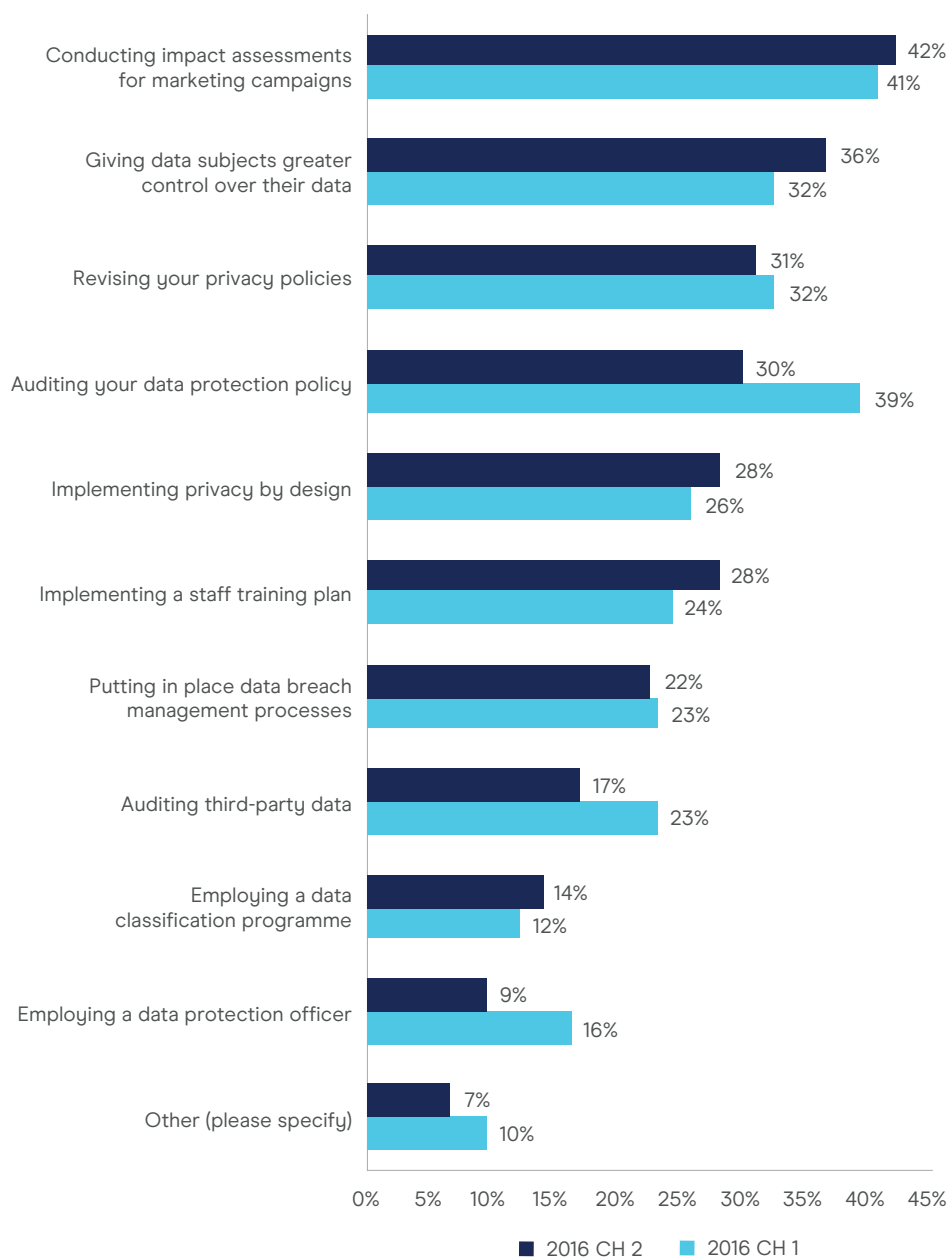
Conversely, those feeling their companies are 'prepared' increased from 39% to 44% for B2B marketers, from 54% to 70% for B2C marketers and up from 45% to 65%.

Again, a high proportion of B2B marketers 'don't know' what the impact would be, more than three times the proportions of the other two groups.

/ Priorities

The biggest priority for business remains conducting impact assessments, increasing by 2% compared to June 2016.

What are the biggest priorities for you and/or your organisation? Select up to three choices.



The next biggest priorities have changed, however, with 'giving data subjects greater control of their data' and 'revising your data policy' now respectively the second and third greatest priorities, up from third and fourth last year. Auditing your data protection policy has dropped from second to fourth priority compared to June 2016.

When split by audience, other trends emerge.

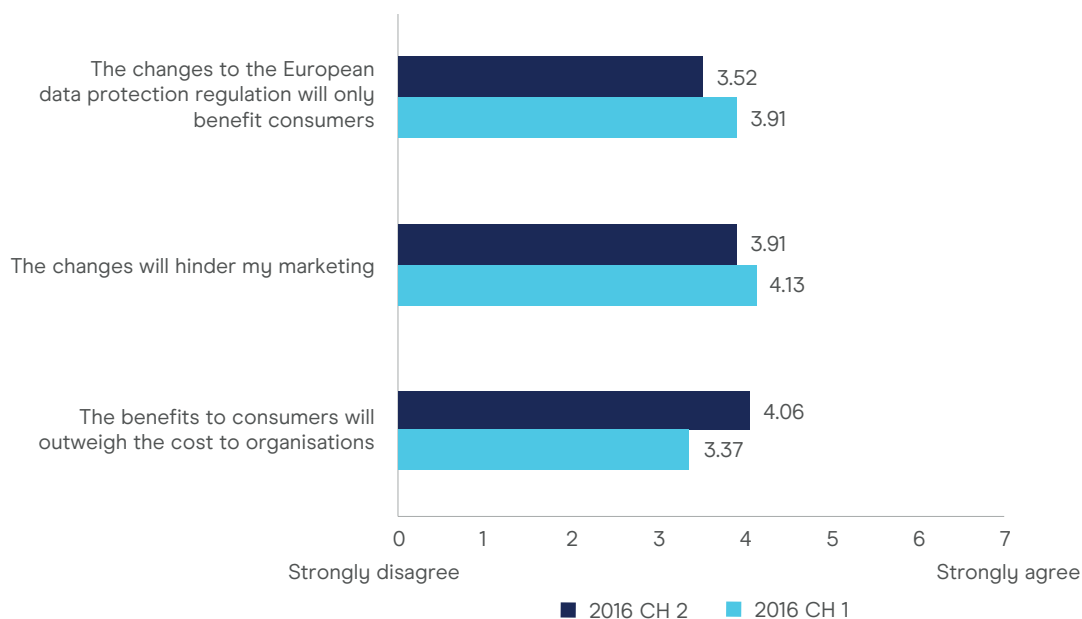
For marketers who have already implemented plans, the sharpest increases came from those revising their privacy policies, up 11% to almost a quarter (23%) compared to the spring of 2016. Other factors put into place include privacy by design, up by 9% to 20%, employing a data protection officer, up 8% to 47% and 'conduct privacy impact assessments for marketing campaigns', up 6% to 17%.

At the other end of the scale, those who have 'no plans' to 'implement a staff training programme' increased by 8% to 14%. To give employees the skills they need to deal with the GDPR, the overwhelming majority plan to train existing staff, three-quarters (73%) choosing this option.

Impact

On balance, marketers believe that the GDPR has shortchanged them. Marketers agreed somewhat with the statement, 'The changes to the EU GDPR will only benefit consumers', more strongly that, 'The changes will hinder my marketing', and more strongly again that, 'The benefits to consumers will outweigh the cost to organisations.'

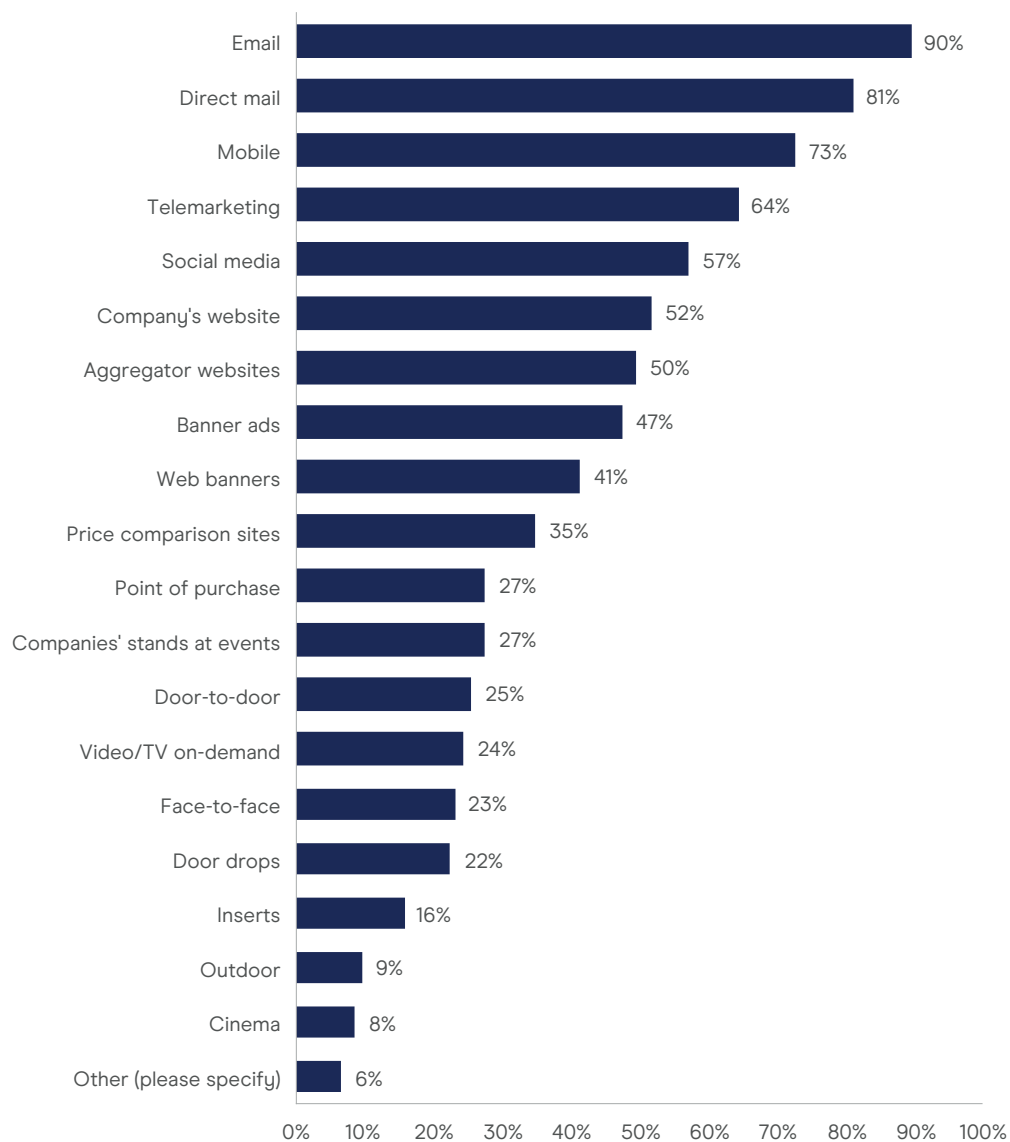
How much do you agree with the following statements:



Of the channels available, email was overwhelmingly the medium marketers believe will be most affected by the GDPR, down to cinema the channel least likely to be affected.

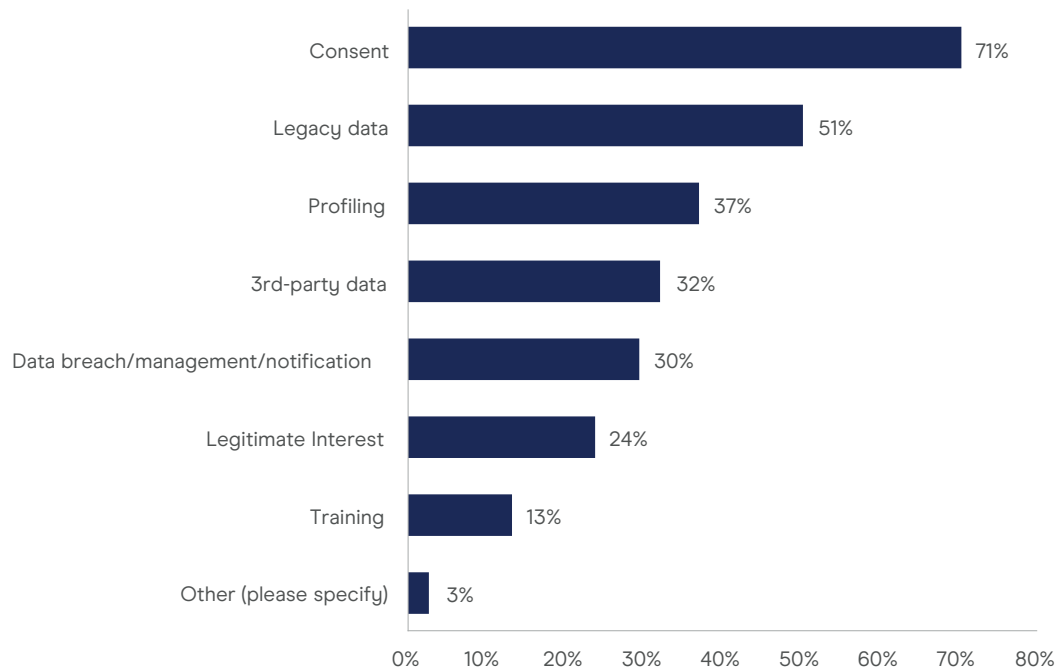
Of the channels available, email was overwhelmingly the medium marketers believe will be most affected by the GDPR, down to cinema the channel least likely to be affected.

Which channels do you think will be affected by GDPR? Tick all that apply.



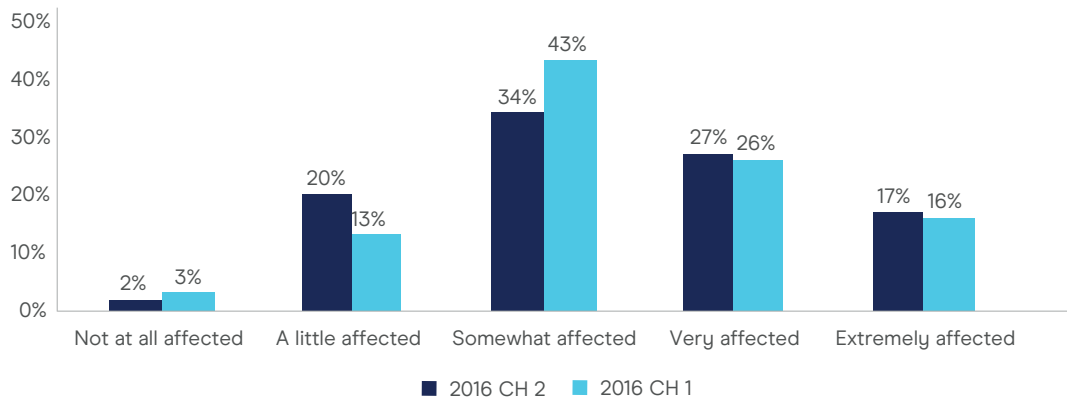
In truth, any channel that relies on personal data will be affected

What are the biggest concerns for you and/or your organisation? Select up to 3 choices



Marketers agree that various activities will change under the GDPR. More than a third (37%) said profiling would change under the GDPR, half (50%) said legacy data, while the runaway winner is consent with 70% agreeing that it would change under the GDPR.

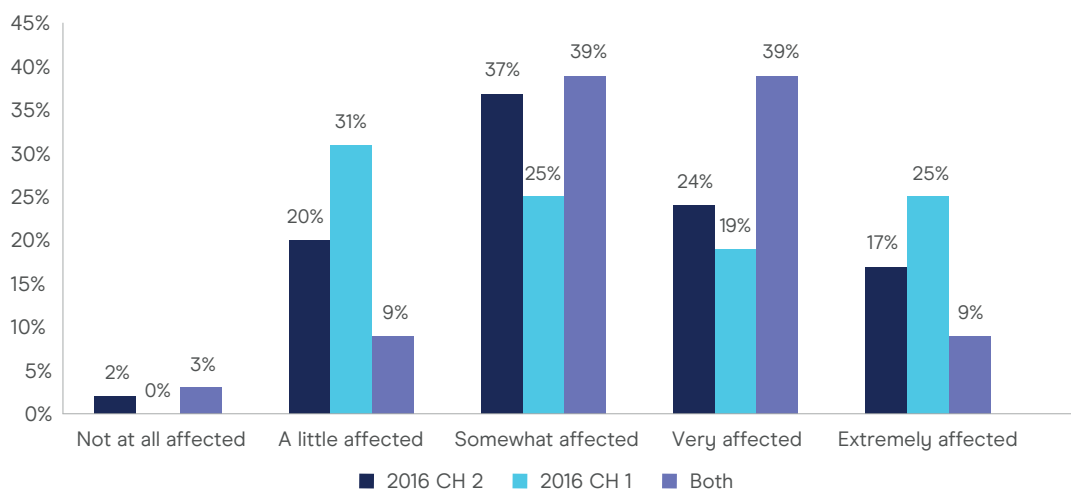
When the law comes into place, to what extent do you think your organisation will be affected by these changes?



As a consequence of these changes, more than one in five (22%) said they would be unaffected or a little affected by the GDPR changes, a significant increase from 15.6% when we conducted this research in June. Those saying they would be 'somewhat' affected dropped by 9% to 34% of the total.

Those saying they would be 'very' or 'extremely' affected by the changes increased from 42% to 44%.

When the law comes into place, to what extent do you think your organisation will be affected by these changes?



How businesses perceive the changes ahead reflects the markets they serve.

Those serving the B2C community saw a polarising effect, some seeing more problems, some seeing fewer. Compared to the first survey, those saying they would be 'somewhat' affected (the mid-point) fell by 25% to 25% of the total, but with sharp increases in those 'a little' affected (up 19% to 31%) and 'extremely' affected (up 17% to 25%). In total, the proportion of those saying they would be 'very' or 'extremely' affected rose by 10% to 41%.

Those serving the B2B community also saw a drop in those 'somewhat' affected, of 15% to 37%, but an increase in those predicting they would be 'very' or 'extremely' affected, up from 26% to 44%.

those serving both communities predict slightly less change, although those working in both B2B and B2C continue to see the greatest change overall. Those predicting they would be 'very' or 'extremely' affected dropped by 17% to 49% - almost half of the total. Those saying they would be 'somewhat' affected increased sharply, by 13% to 39%, with increases in those saying they would be 'a little' affected or unaffected (rising by 4% to 12%).

Again, these results show significant differences in perception depending on which business community the respondent serves.

Despite significant falls in those believing they will be 'very' or 'extremely' affected, those serving both the B2B and B2C communities continue to see the greatest challenges ahead overall.

Those serving the B2C community are now the most comfortable with the changes ahead, with 31% saying they see 'little' change or 'no' change.

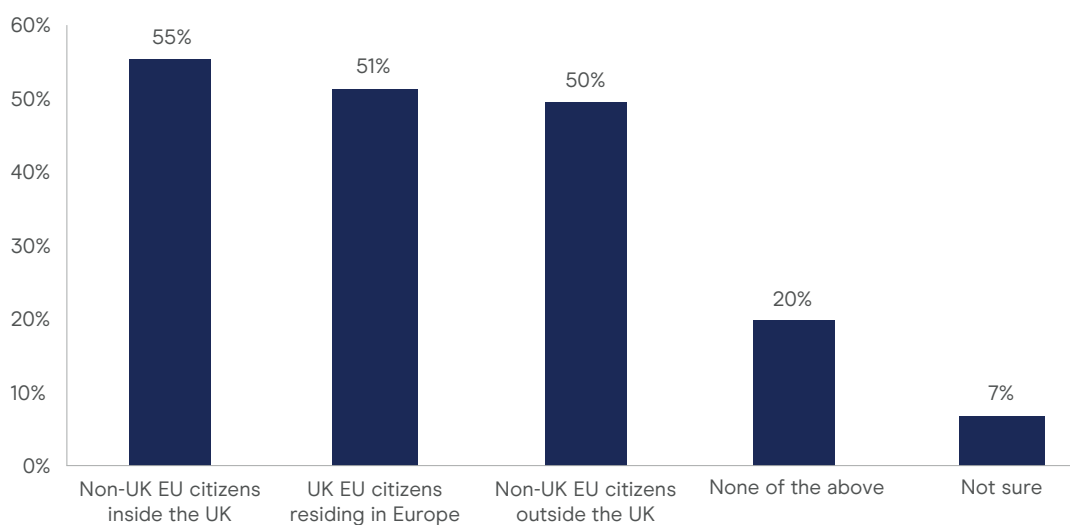
/ Brexit and the GDPR

The meaning of 'Brexit' is yet to be defined, and remains unknown. Lobbying on all sides shows little consensus for what it means and what the outcome will be.

But we do know that any Brexit will feature a 'Great Reform Bill' which will make a raft of EU legislation - including the GDPR - UK law, and would most likely include the GDPR. As noted above, DCMS Minister Karen Bradley confirmed the GDPR would become UK law in May 2018. This means, at face value at least, that Brexit will not make any difference to the incoming GDPR.

The GDPR will change the way that companies deal with EU citizens. The GDPR will apply to every company in the UK that processes EU citizens' personal data.

Do you conduct business, including marketing, with any of the following? Select all that apply.

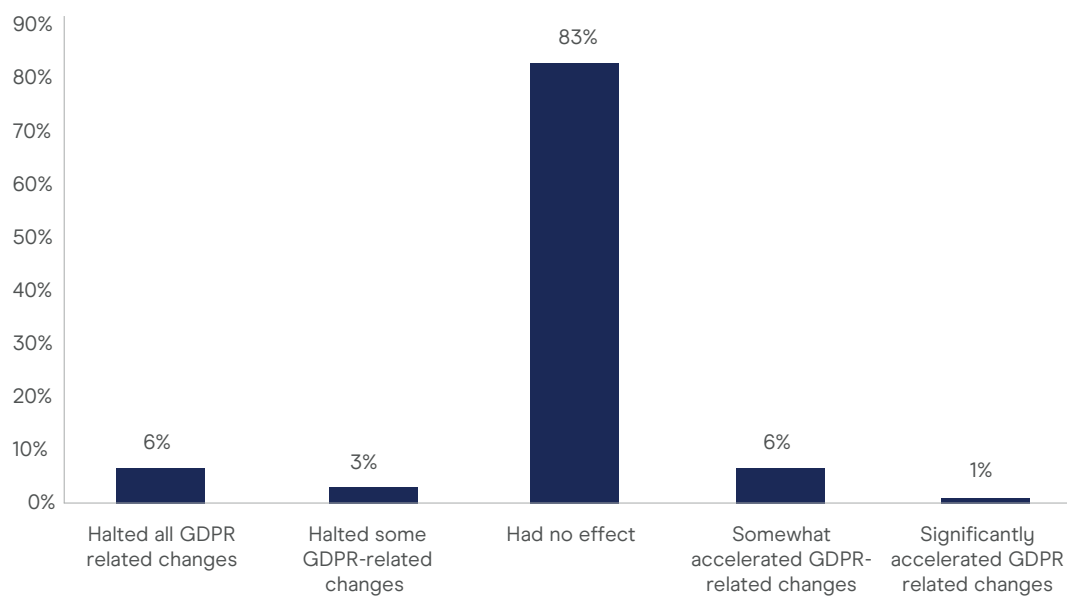


Some may believe that if they deal with UK citizens alone, then GDPR will not apply. One in five (20%) said this applied to them, and they may erroneously feel exempt from the GDPR.

An identical proportion (20%) believed that a UK equivalent to the GDPR will apply to them. No respondents believed that the GDPR would not apply post-Brexit.

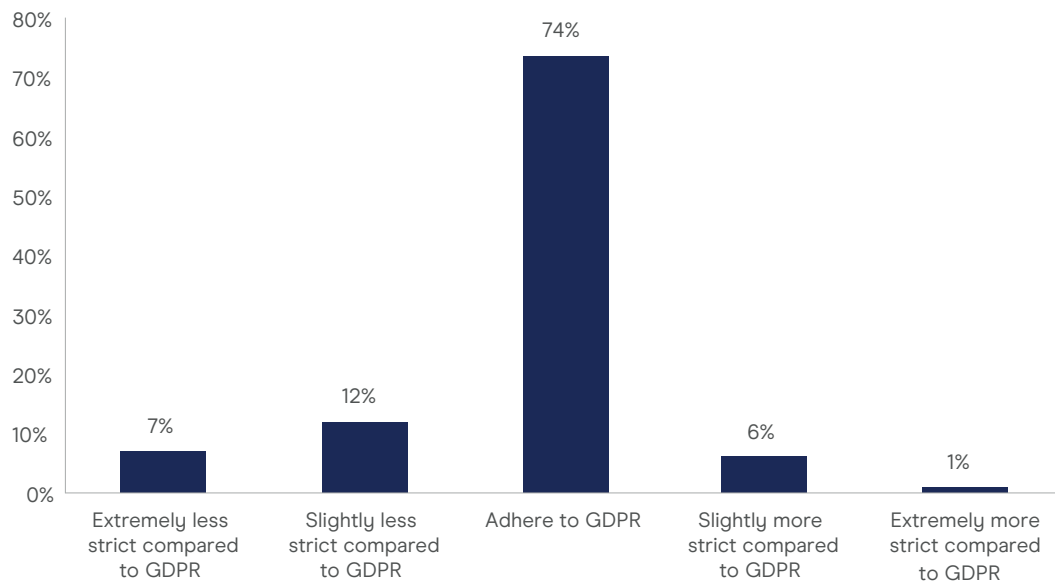
This is good news, as it shows that marketers do understand that the GDPR is likely to apply in one form or another post-Brexit.

In what way has Brexit affected your company's GDPR-related plans?



The Brexit vote has made no difference or even accelerated GDPR plans of the vast majority (91%) of marketers. However, almost one in 10 (9%) have halted some or all GDPR plans since the Brexit vote.

Considering Brexit, what would be the best data protection policy for the UK?



What we as a nation should do divides marketers more. Three-quarters (74%) say we should plough on with the GDPR, but almost one in five (19%) believe we should develop a 'less strict' version of the GDPR. A smaller minority (7%) say we should develop a 'more strict' version.

/ Methodology

DMA Insight: GDPR and you is an initiative undertaken by the DMA's GDPR Taskforce.

The research was conducted between September and December 2016 via an online survey and promoted on the [DMA home page](#) and via various other sources. DMA members found a link via a select number of weekly newsletters, social networks and websites.

A wide range of both DMA members and non-members completed the survey. This sample included a cross-section of company types and sizes. Respondents operated in a wide range of sectors. The data was collated and analysed by the DMA's Marketing and Insight department, who also wrote the report. The final report was produced in collaboration with the DMA's External and Internal working parties, designed by the DMA's in-house design team.

The survey consisted of a maximum of 41 questions, a mixture of both qualitative and quantitative questions. These questions were reviewed by the DMA and the working parties to ensure they reflected the current industry scenario.

The survey had 145 respondents (41% work in B2B, 29% work in B2C, and 30% work in both). Findings were launched on 6 February 2017, hosted on the GDPR section of the DMA website.

/ About the DMA

The Data & Marketing Association (DMA) comprises the DMA, Institute of Data & Marketing (IDM) and DMA Talent.

We seek to guide and inspire industry leaders; to advance careers; and to nurture the next generation of aspiring marketers.

We champion the way things should be done, through a rich fusion of technology, diverse talent, creativity, insight – underpinned by our [customer-focussed principles](#).

We set the standards marketers must meet in order to thrive, representing over 1,000 members drawn from the UK's data and marketing landscape.

By working responsibly, sustainably and creatively, together we will drive the data and marketing industry forward to meet the needs of people today and tomorrow.

www.dma.org.uk

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