

GDPR and you

Chapter four

2017

Responsible Marketing

DM
Data &
Marketing
Association **A**

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/ Introduction

Welcome to the latest in our series tracking how our industry is adapting and preparing ahead of the legislative changes in a little over 7 months' time. We've continued to see awareness and preparedness for GDPR increase, albeit with some falling behind their initial plans. There also remains a concern over the minority (15%) still not believing their company has a plan in place to be compliant by May 2018.

The GDPR is a watershed moment for organisations to make data protection a core brand value. It's encouraging that the new laws are seen as a positive change for the customers by two-fifths of our industry, but all businesses must embrace this by placing respect for privacy at the heart of their brand proposition.

We should use the GDPR as a catalyst to transform the way we speak to customers, making every engagement human-centric. This will enable organisations to build trusted, authentic and transparent relationships with their customers.

Transparency means telling your customer how you are going to use their data and what benefits they will get. It's this accountability and honesty that companies need to be clear about when it comes to explaining why they need a customers' data, what they're going to use it for and the legal basis they are using to process it.

This is not just an issue for the data protection officer or lawyers: accountability should be driven at the board level to ensure organisations are building the right culture. Transparency and trust should be the responsibility of the whole organisation, from the CEO to the latest intake of graduates.

Instilling this throughout your business is key.

We are moving swiftly towards a world that is driven by powerful technologies like augmented reality, machine learning and voice activated personal assistants. Meaning there are a huge number of new products and services that will be data-driven.

As an industry, we must always keep in mind the customers' right to privacy and not take it for granted that they want to do all the things that will be possible. It's important that businesses put the principles of accountability, transparency and trust at their core. Allowing them to go beyond simply being the right side of the law and actually build a sustainable long-term relationship with customers about their data.

For the latest advice and new guidance from the DMA, please visit our dedicated GDPR site at <https://dma.org.uk/gdpr>

Chris Combemale,
CEO of DMA group

/ Executive Summary

Welcome to The GDPR and you, chapter four. Here we provide you with the results of our latest survey on marketers' attitudes towards the GDPR.

New for this edition, we also make a first foray in to marketers' awareness and key concerns about the ePrivacy Regulation.

Since being announced, awareness of the GDPR has risen. Eight in 10 marketers now rate their awareness of the GDPR as "good".

When it comes to the GDPR, individuals feel confident in themselves, but lack faith in their organisations. Three in 10 think their organisations are unprepared for the GDPR.

85% of marketers have implemented their plans for the GDPR – more than ever before. However, 17% of marketers think their organisation is falling behind in compliance planning – up from 11% since May 2017 – and 15% still not having implanted a plan at all.

The most common concerns surrounding the GDPR are consent (28%) and legacy data (18%).

Marketers feel more affected by the GDPR as time goes on. Two-fifths now feel they will be "very affected" by the GDPR, and a further fifth feel "extremely affected".

Despite this, marketers understand the value the GDPR will bring to their customer offering. Four in 10 feel their ability to meet consumers' demands will improve after GDPR.

65% of respondents agree that the GDPR will be a hindrance to their marketing.

Four in 10 would like the GDPR to be relaxed, despite the [introduction of the Data Protection Bill](#) on the 13 September. However, three quarters of marketers want to retain free data flows across Europe (the "digital single market") - this will necessitate aligning our data laws with those of Europe.

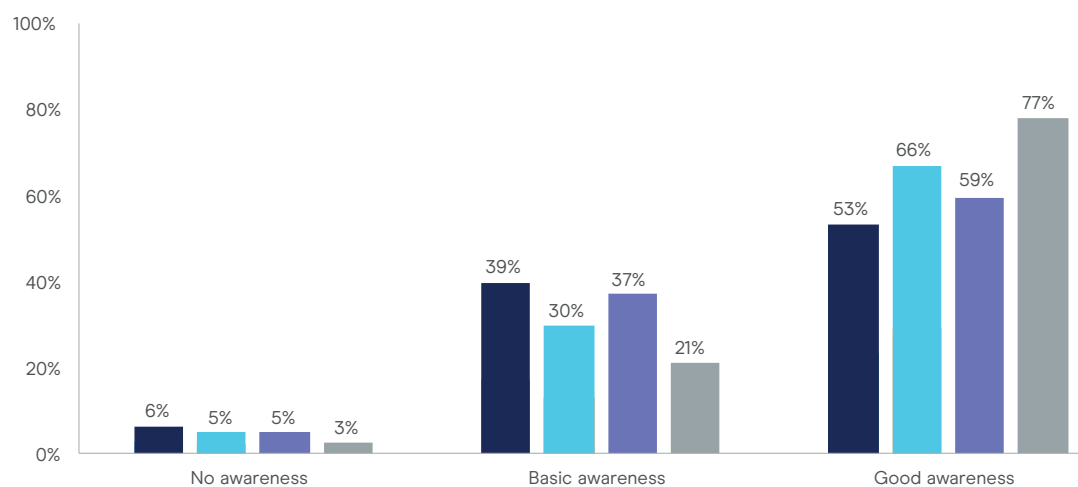
When asked about the ePrivacy regulation, three in 10 marketers were unaware of it.

The most common concerns about potential changes from ePrivacy are an opt-in for B2B marketing (31%), consent requirement for cookies (26%) and an opt-in for all telemarketing (25%).

/ Awareness and preparedness

As the deadline for compliance approaches, awareness of the GDPR is growing. Overall, marketers are feeling more aware of the changes over time.

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



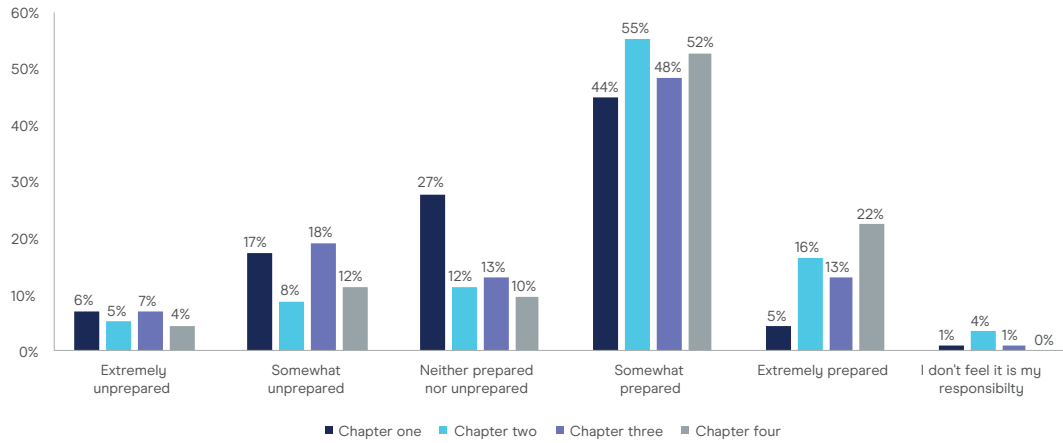
Those with good awareness of the GDPR has risen from 59% in May to 77% in September. With less than a year to the deadline for compliance, that 98% of people have some form of awareness is encouraging.

As of September 2017 28% of B2B marketers said they had a basic awareness of the GDPR, suggesting some degree of complacency when compared with their counterparts involved in B2C marketing.

As with the previous edition of this report, DMA members are more likely to have “good awareness” of the GDPR, while non-members are more likely to have no awareness. In fact over 95% report good awareness and no DMA members have no awareness, with the remaining 5% having basic awareness.

But awareness of the GDPR doesn’t necessarily translate into feeling prepared for compliance..

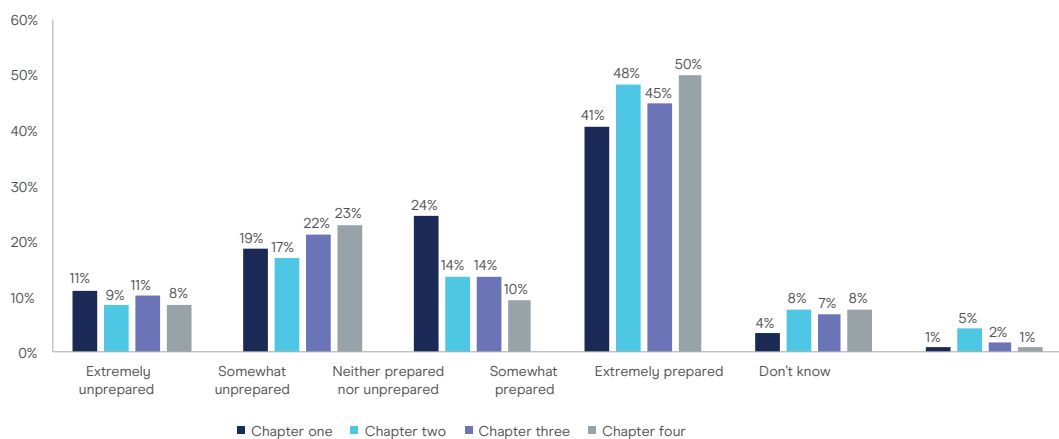
At this time, how prepared are you, personally, for these changes?



Marketers are starting to know where they stand in terms of preparedness for the GDPR, whether that news is good or bad. Marketers themselves mostly feel prepared, while they typically have a lower level of confidence in their organisation.

As a clearer picture of marketers' responsibilities comes into view, unsure and undecided marketers now make up only 10% of the total. Half of marketers feel somewhat prepared, and a further fifth feel extremely prepared. However, the proportion feeling unprepared stands at 16% as the deadline approaches.

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



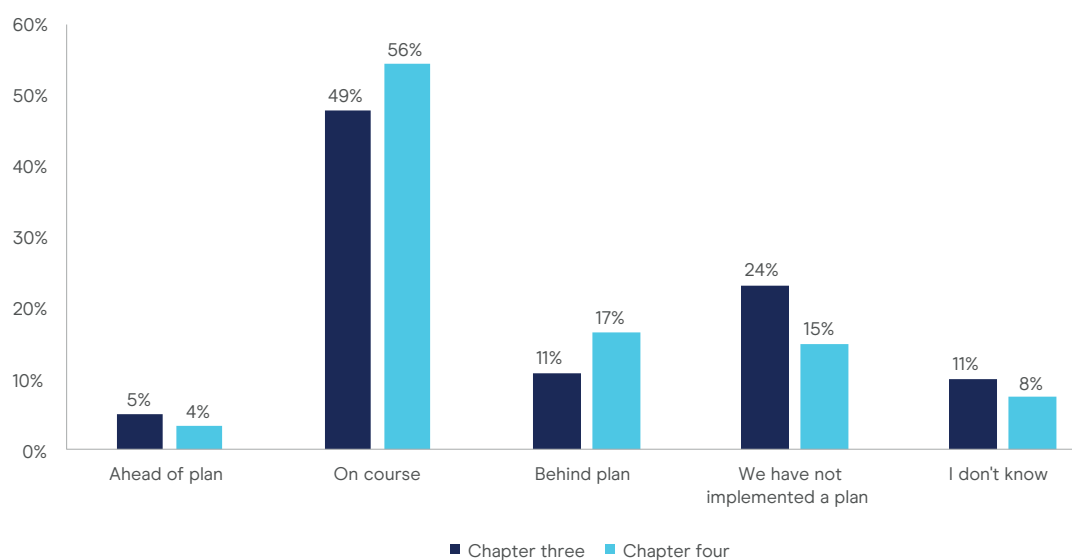
It's the same story with organisational preparedness.

Marketers are less confident in their organisations' preparedness for the GDPR. When it comes to thinking about their organisations' preparedness, they are polarising into two groups: a larger group feeling prepared and a smaller group feeling their organisation is not up to the challenge.

Like personal preparedness, marketers are shifting from being undecided and neutral, to feeling either confident or concerned. Half feel their organisation is somewhat prepared, and nearly 1 in ten feel their organisation is extremely prepared. However, almost a third feel their organisation is unprepared, double the amount feeling unprepared personally.

B2B marketers are very likely to think their organisations are extremely prepared for the GDPR, with 12% choosing this option. This suggests a lower perceived workload for compliance placed on B2B marketers compared to B2C.

Is your organisation on-track to be GDPR-ready by May 2018?



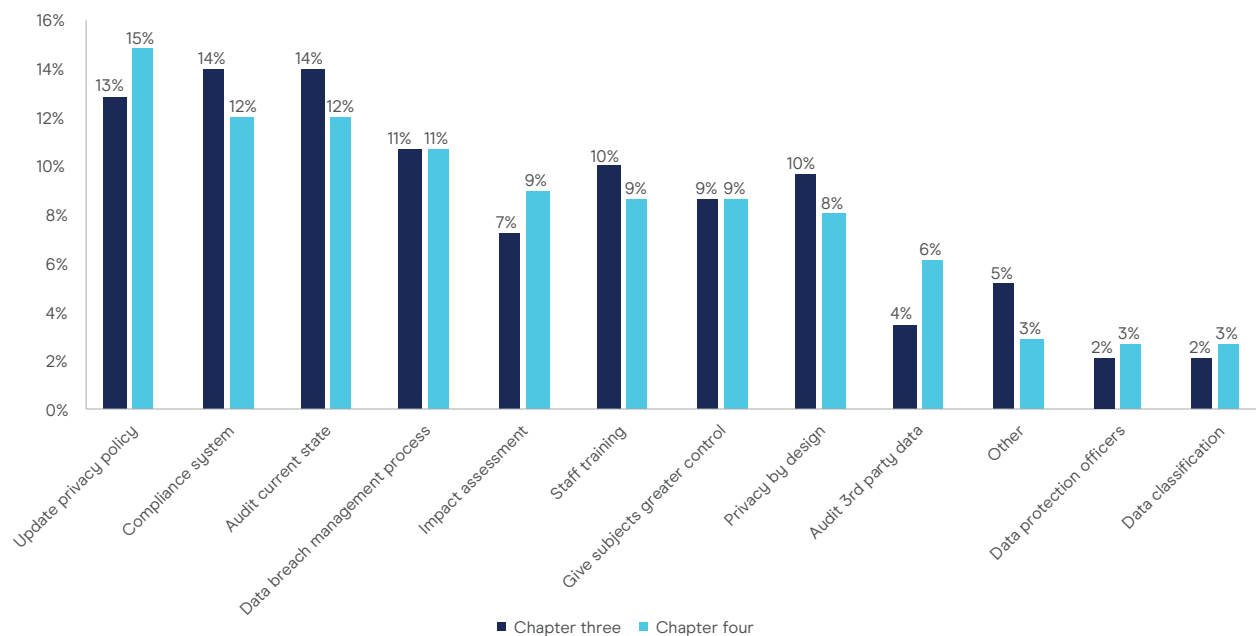
The vast majority (85%) of marketers have a plan for compliance, and most are on track. A significant minority have fallen behind and these marketers will need to catch up before May 2018.

Over half of marketers predict they're on course to comply by May 2018, and a small minority of 4% think they're ahead. Contrastingly the numbers of those estimating they're behind plan has risen - to almost one in 5. Those who have not implemented a plan have reduced in number but still make up 15% of marketers.

/ Priorities and concerns

The biggest priorities for marketers to implement the GDPR have remained fairly static compared with six months ago. Although areas of priority are varied, prioritisation of these tasks is overall quite low. Likewise, the biggest concerns for marketers have largely remained unchanged..

The GDPR will mean a number of changes in the following areas. What are the biggest priorities for you and/or you organisation?



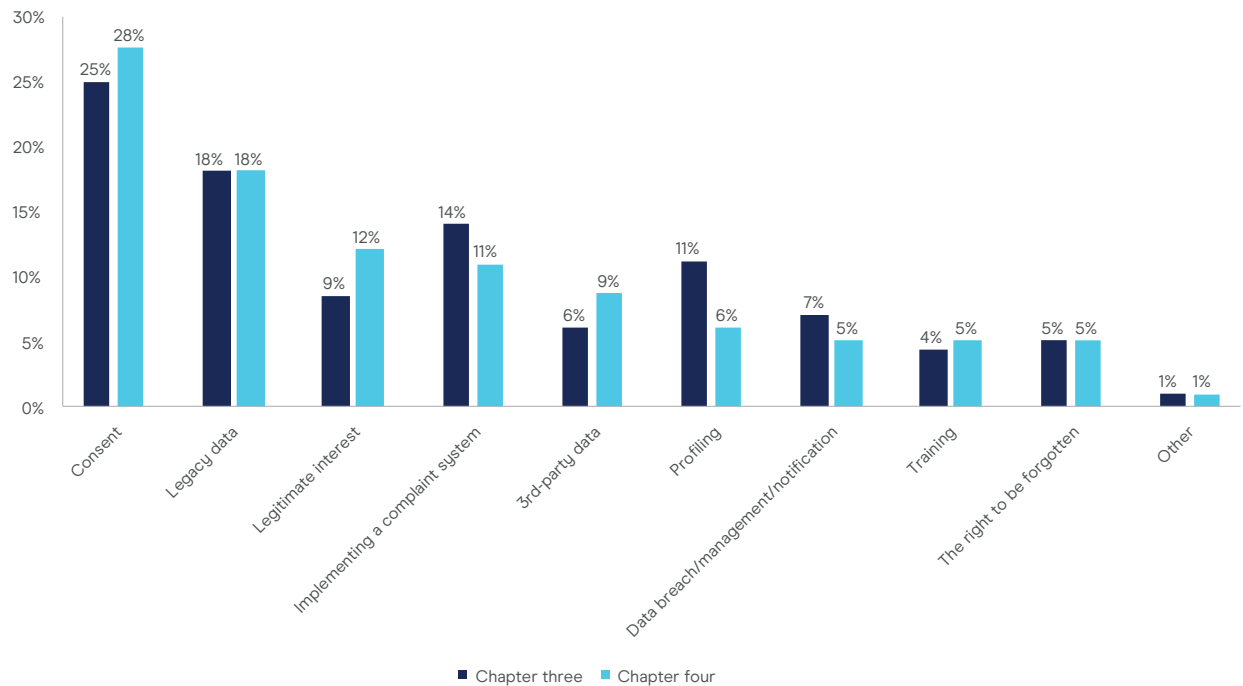
The top three priorities are to update privacy policies (15%), implement a compliance system (12%) and audit the organisation's current state when it comes to data handling (12%). Indeed, low priorities such as hiring a data protection officer may have been addressed previously, as seen in the [last chapter of this report](#).

Implementing a compliance system, i.e. data governance, is a necessary part of adhering to the GDPR – and is a key step in ensuring that other concerns, such as privacy by design, are addressed. All those that handle personal data will need to implement such a system, yet only 12% of marketers are making this a priority.

Between February 2017 and May 2017 there has been a significant change in the mood and attitude of marketers towards the GDPR.

Marketers have more certainty about what they have to do in order to be compliant by May 2018.

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



Over a quarter of marketers are still concerned about the changes to the definition of consent. It makes sense that this is the main concern as it's a direct change to marketing practice day-to-day, but systemic change is required for compliance too.

The top concern is consent, with three in 10 concerned about this. This is followed by legacy data with two in 10 being concerned. A new way of assessing legitimate interest, implementing a compliant system and 3rd party data are also common choices, with one in 10 marking these out.

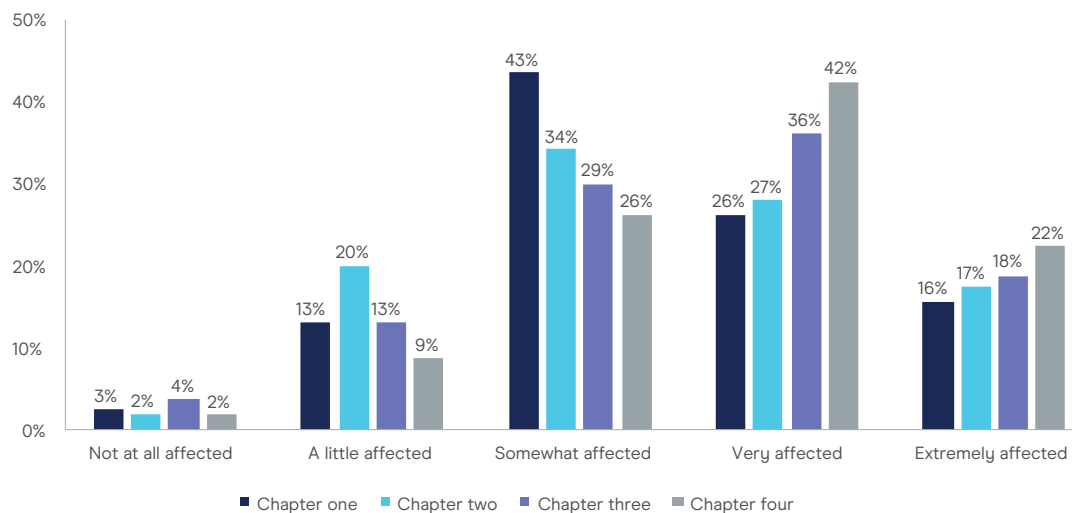
Implementing a compliant system is a low concern, despite this being a vital step toward compliance, with only an 11% response rate. Likewise for data breach management. This suggests marketers are more concerned with direct effects to their day-to-day marketing rather than systems that ensure compliance in the background or in negative circumstances.

However, good data-handling practice at all stages underpins your organisation's ability to be compliant – and avoid punitive fines.

/ Impact

As the enormity of the GDPR becomes apparent, marketers are feeling the pressure. Those working in the industry are starting to feel more and more affected over time. As marketers move from theory to practice, the difficulties involved with compliance are becoming clear.

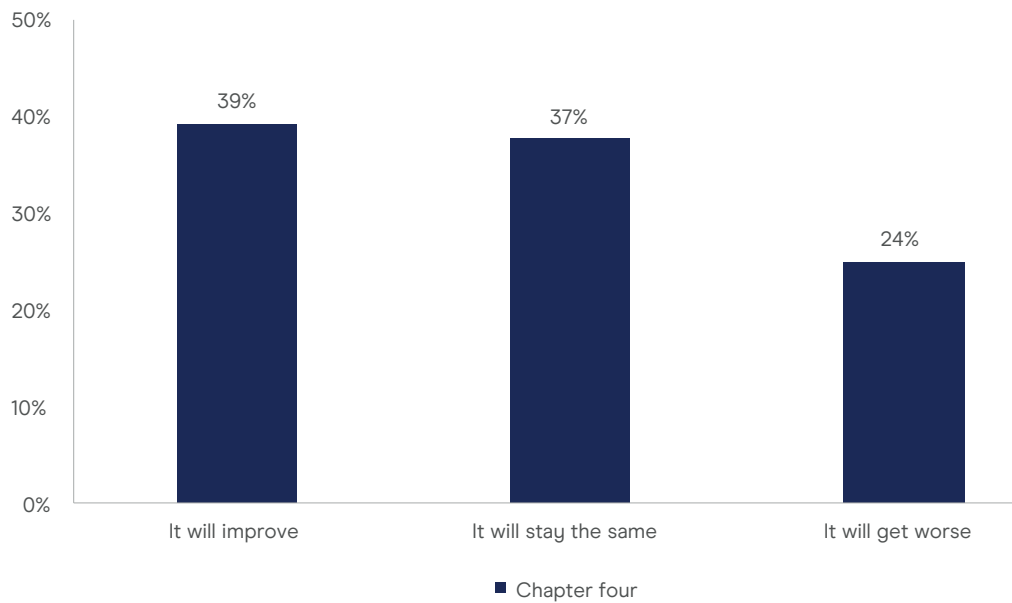
When the law comes into place, to what extent do you think your organisation will be affected by these changes??



Over time, those feeling less affected have moved into more affected categories. Since the start of the survey in April 2016, those feeling “very affected” has risen from 26% to 42%. Those feeling “extremely affected” have also increased from 16% to 22%. Over the same period the numbers feeling “a little affected” and “somewhat affected” have fallen: from 13% to 9% and from 43% to 26%, respectively.

Those involved exclusively in B2B are more likely to answer “not affected at all”(4%) and less likely to answer “very affected”(30%). Again, this suggests that marketers operating in the B2B space think the GDPR won’t affect them as much as their B2C counterparts do.

What effect do you think the GDPR will have on your organisation's ability to meet your customers' needs?:

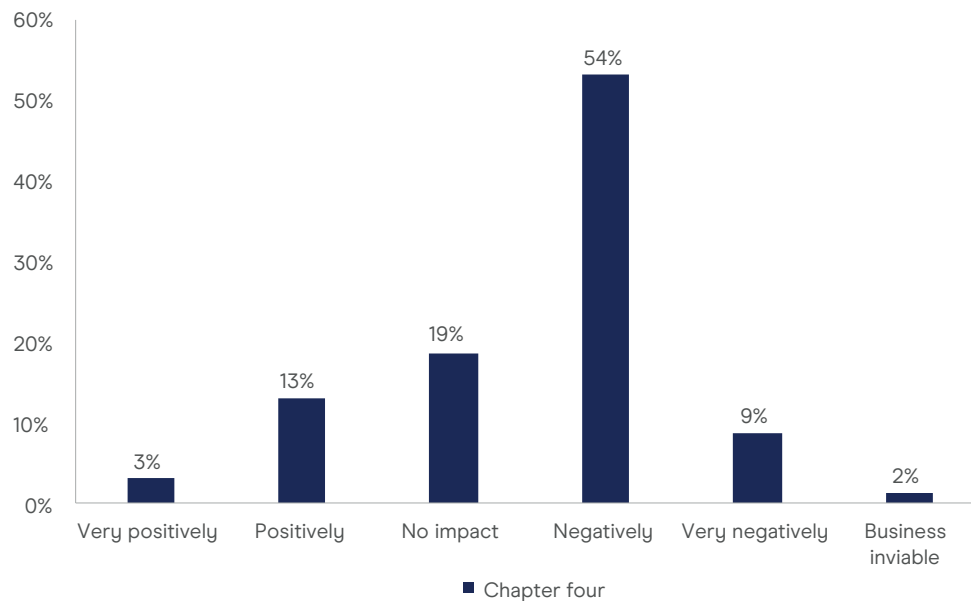


Interestingly, many marketers think the GDPR will improve their customers' experience. It seems that although they are aware of the challenges, marketers feel that the GDPR will overall be beneficial for consumers and, in the long term, their business.

Four in 10 believe their customer offering will improve under the GDPR. A similar proportion think the GDPR won't affect their consumers' experience, and just under a quarter think it will get worse.

Those involved in B2B marketing are also more likely to report that their ability to meet customer demands will "stay the same", again suggesting those in the B2B space do not feel as affected by the GDPR as those in B2C.

Thinking about the cost of compliance with the GDPR, how will this have an impact on your organisation financially?



While there will obviously be some cost associated with compliance, this is typically thought to be only slight. Over a third feel there will be no effect or a positive effect from the GDPR, and only one in 10 thinks the effect will be severe.

Interestingly, many of those working in the marketing industry think the GDPR will have a positive impact on their finances. B2C marketers are less likely to feel unaffected and more likely to feel negatively impacted than the other groups.

A disproportionate number of those in the advertising/marketing and consultancy sectors feel that the GDPR will have a positive financial effect. Those in the not-for-profit sector are, on the other hand, more likely to feel burdened by the cost of compliance.

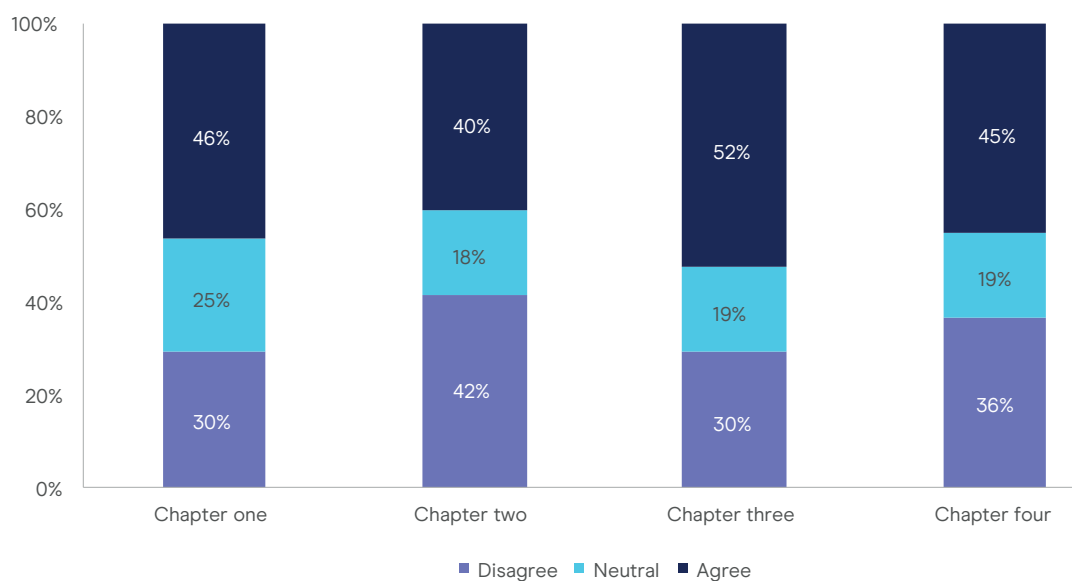
Retail, consultancy and finance are the sectors most likely to think their businesses will be rendered inviable by the GDPR.

Since consultants have a range of areas of expertise, it is not entirely surprising that some feel the GDPR will boost business while others feel it will harm it.

/ Attitudes to the GDPR

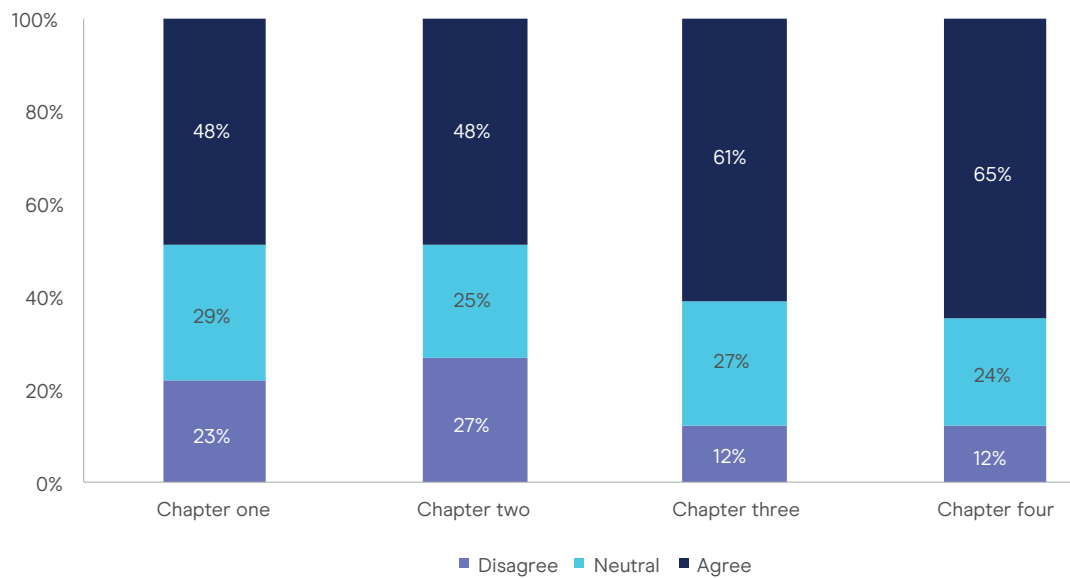
Marketers' opinions on the GDPR are shifting, with it increasingly being seen as a hindrance and a growing split in those that believe it's a benefit to consumers.

How much do you agree with the following statement: "the changes will only benefit consumers"?



Marketers are split on who they think will benefit most: consumers or organisations. Marketers tend to agree that the GDPR will only benefit consumers, although this tendency is only slight - a large minority disagree with this statement. 45% of marketers agree, with 36% disagreeing. Only 19% felt neutral about the statement. These proportions have remained relatively static over the course of the survey.

How much do you agree with the following statement: “the changes will hinder my marketing”?



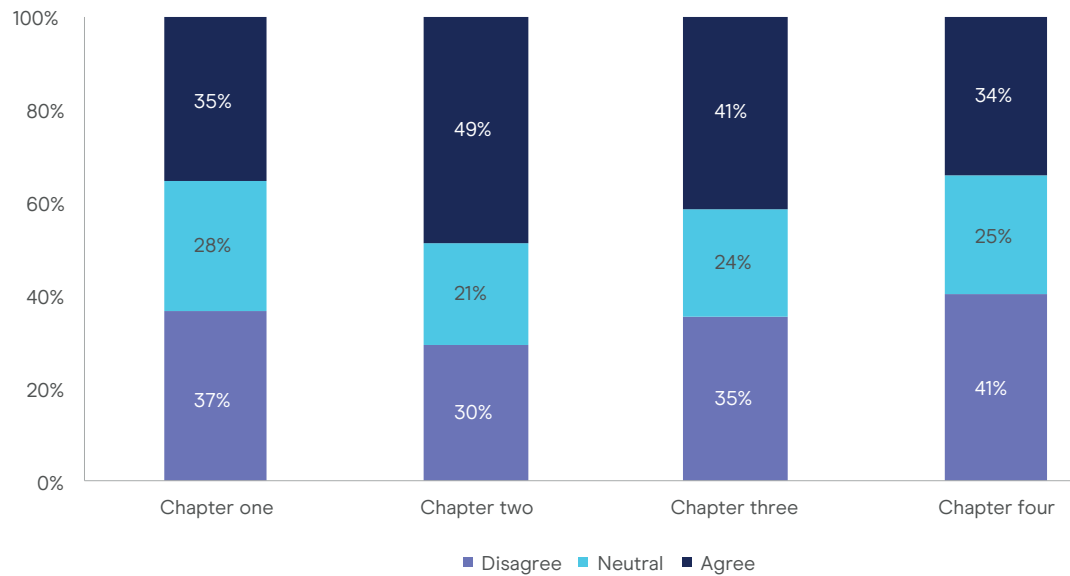
More and more, marketers are believing that the GDPR will hinder their marketing efforts.

As the GDPR has taken shape in marketers' minds, an increasing number agree that the GDPR will be problematic and fewer marketers disagree.

As of September 2016, 48% of respondents agreed and 27% disagreed. A year later, 65% agree and a mere 12% disagree.

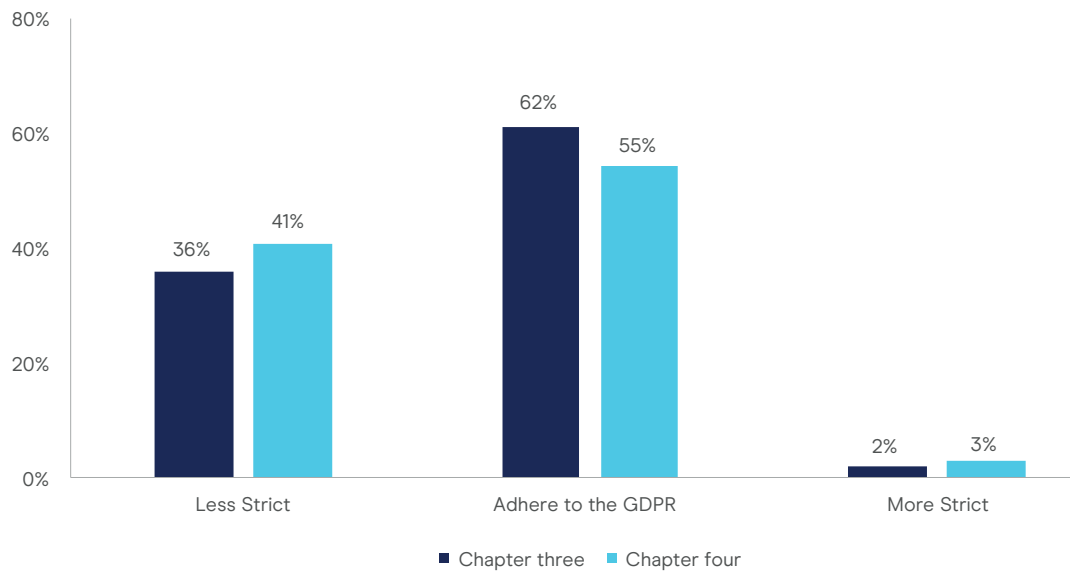
Overall this suggests the GDPR is seen as a greater obstacle to marketing now, compared with when it was first announced.

How much do you agree with the following statement: “the benefits to consumers will outweigh the cost to organisations”?



Marketers are split over whether the consumer benefit will outweigh cost to organisations, with similar amounts of marketers agreeing and disagreeing. 41% disagree and 34% agree, with 25% remaining neutral. This suggests marketers are in two, roughly equal-sized camps: those who appreciate the changes from their consumers' perspective, and those who think the cost is untenable for their business.

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

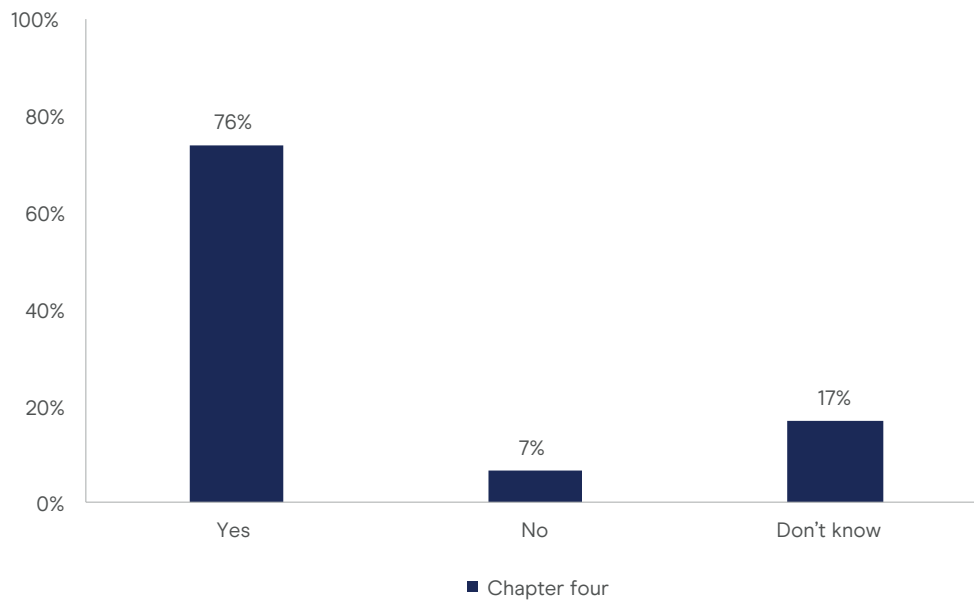


The GDPR becomes part of UK law through the Data Protection Bill, introduced on the 13 September. This bill states that organisations in the UK will have to at the very least adhere to the GDPR, as well as any other data protection law – suggesting scope for even more regulation than under GDPR.

Despite this reality, more marketers are hoping for a relaxation of the legislation than previously. Marketers are leaning further towards wanting a less strict option than the GDPR, from 36% in May up to 41% now - although a majority still think adhering to the GDPR is the best course of action. Very few marketers want more regulation. This marries with the tendency for marketers to believe the GDPR will hinder their marketing.

Despite B2C marketers feeling more burdened by the cost of compliance, it is B2B marketers who are most likely to want to loosen the restrictions of the GDPR. Those in the B2B group are more likely to want a less strict option than the GDPR and less likely to want to adhere to the GDPR.

Thinking about Britain's future outside the EU, would you like the UK to retain access to the "digital single market"?



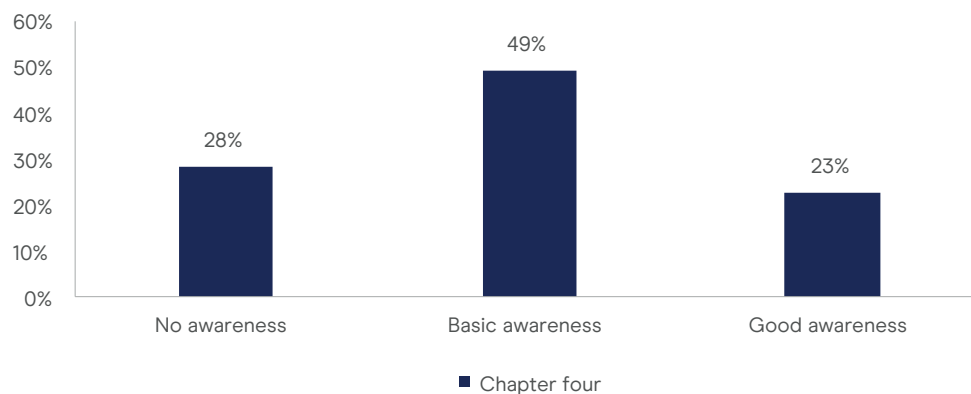
HM Government has confirmed that, in the first instance, [UK data protection law will be aligned with that of Europe](#). This means that we will, by default, become part of a de-facto "digital single market". However, post-Brexit there will be a chance for UK law to diverge from that of Europe.

76% of marketers think maintaining access to a "digital single market" would be a good idea, with a small minority of 7% disagreeing. The remainder, around a fifth of marketers, are unsure.

/ ePrivacy Regulation

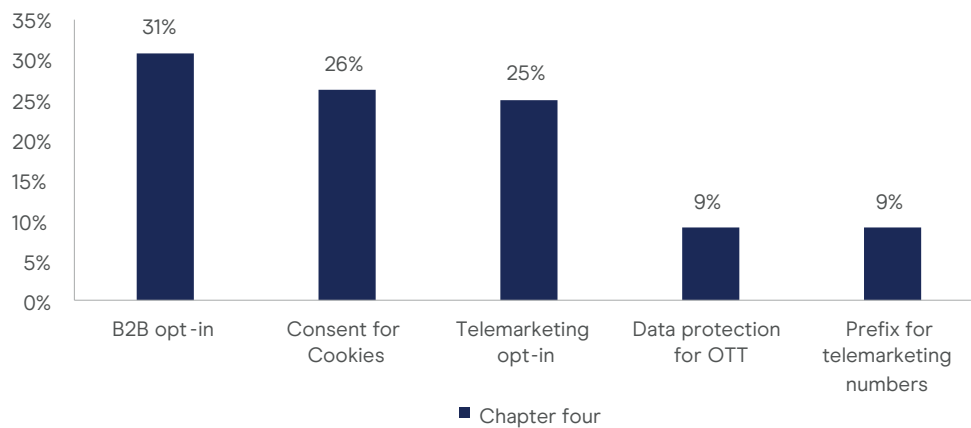
The EU has [proposed a reform of ePrivacy legislation](#), and although the text has not yet been confirmed there are a number of proposed extensions of the law in the draft bill. Understandably, as it is uncertain when the regulation will be enacted and the text of the regulation has yet to be confirmed, marketers are not as aware of this as they are of the GDPR.

How aware are you of the upcoming changes the ePrivacy Regulation contains??



While GDPR is taking centre stage, ePrivacy has taken a backseat role - 28% of marketers have no awareness of the upcoming reforms to ePrivacy.

Which of the following possible changes would you be concerned about?



The main concerns from the draft bill surround opt-in and consent – again, concerns that affect marketing day-to-day being at the forefront of marketers’ minds. The biggest concerns about the ePrivacy Regulation are the requirement to opt-in for B2B marketing (31%), requiring consent for cookies (26%) and an opt-in for all telemarketing (25%).

B2B and B2C marketers are equally aware of the ePrivacy Regulation, but they have different concerns. B2B marketers are less likely to be concerned about new cookie laws. B2C marketers are understandably less likely to be concerned about B2B marketing opt-in, whereas B2B marketers are more concerned.

DMA members are more likely to have basic awareness of the ePrivacy Regulation than non-members, and are less likely to have no awareness. The reverse is true for non-members, who are more likely to have no awareness and less likely to have basic awareness.

/ Glossary

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.

/ Methodology

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

The research was conducted between April and May 2017 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.

The data were collated and analysed by the DMA Insight department. The report was written by the DMA Marketing and Insight departments. 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, both qualitative and quantitative. 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 215 respondents. Respondents represented a range of department types, career levels and sectors. Of those answering the relevant question, 45.7% were B2B, 25.6% were B2C, and 28.7% were both B2B and B2C. The survey was filled out by roughly equal numbers of employees from DMA group business members and non-members.

Where groups of respondents have been compared, statistical significance was determined using Fisher's Exact Test. This report was first published on the 25th of May 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.

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