

GDPR and you

Chapter five

2018

Responsible Marketing

DM
Data &
Marketing
Association **A**

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/ Introduction

Welcome to the latest in our series tracking how the marketing industry is adapting to the reality of the enforcement deadline for the GDPR.

In this report, we'll consider how marketers' attitudes and beliefs have changed since our first study in 2016, as well as comparing results with Chapter 4, which was published in October 2017.

We've continued to see awareness and preparedness increase, although a fifth of respondents felt their organisation would not be fully compliant with the GDPR by May 25, 2018. Despite this, our research found that a large majority of respondents think the law will have less of an effect than previously expected.

Rather than viewing the GDPR as a legal hurdle to be vaulted, organisations are now beginning to see the benefit of the new laws in enhancing their customer offering and building consumer trust. Industry professionals have the benefit of clearer guidance, practical advice and the experience of changes already made at their organisations.

Of course, compliance with GDPR is a company-wide responsibility, from executives to the boardroom – but those at the top need to provide strong leadership and ensure everyone in their organisation is up to speed and knows their legal responsibilities.

The DMA code has always promoted a customer first attitude for our members, but now GDPR is becoming a reality for our members and non-members alike. Organisations have the opportunity to embrace data protection and weave it throughout their business practices.

Building trusted, authentic and transparent relationships with customers has been challenging in these turbulent times. GDPR now offers some welcome stability and legislative homogeneity as we build a new relationship with the EU and ensure the free flow of data.

That journey won't end with GDPR coming in to force: industry professionals must continue to learn and adapt as they - and consumers - get to grips with the realities of this new data landscape.

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

We also cover marketers' awareness and key concerns about the ePrivacy Regulation, although the text of that law is not yet finalised.

Since it became law in 2016, awareness of the GDPR has risen. More than eight in 10 marketers now rate their awareness of the GDPR as good, a slight increase on our last survey six months ago.

Individuals are confident about their own grasp of what GDPR means, with more than 80% feeling prepared for it. However, they lack faith in the compliance of their organisations: 16% still believe their employer is unprepared, although this has dropped from almost a third in chapter four.

Over two-thirds (68%) of marketers said their organisations were on track or ahead with implementation plans. However, a quarter (27%) say that their organisation is behind on implementation, even at this late stage.

Encouragingly, 76% of respondents' organisations have already appointed a data protection officer, while a majority (62%) have audited the state of their existing data.

Updating privacy policies (15%), having compliance systems in place (12%) and giving data subjects greater control (11%) are now cited as the biggest priorities.

Consent (20%) remains the major concern surrounding GDPR, though anxiety has dropped since chapter four was released. Meanwhile, legacy data (19%) remains the second-most common concern, which has actually increased slightly since the last survey.

Almost three-quarters of marketers have undergone GDPR training, though the figure is substantially lower (54%) for those believing the education offered was sufficient. That said, around 70% believe training will help their organisation become compliant.

Some 39% of respondents say their employer will be very or extremely affected by the GDPR, a 24% drop since chapter four, suggesting marketers feel more comfortable with the changes.

More than half also believe the benefits of the regulations for consumers will outweigh the disadvantages to organisations: 52% compared to 34% in the previous study. Meanwhile, fewer believe the GDPR will prove a hindrance to marketing: 53% now compared to 65% last time around.

Just over six out of 10 respondents - a figure which has steadily increased since chapter three, published in Spring 2017 - believe GDPR will be the best data protection policy for the UK in the future. The proportion who wish the law was less strict has decreased from 41% to 36%.

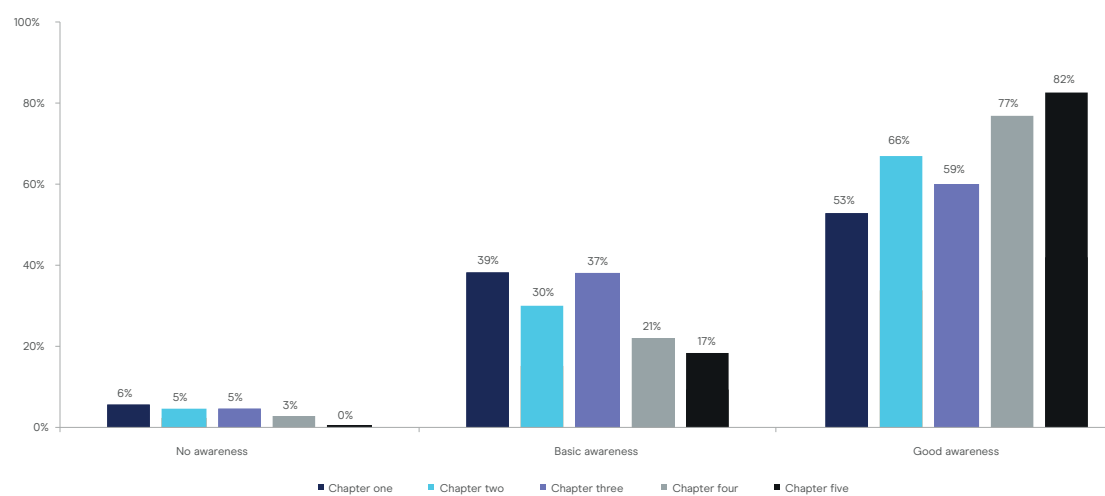
Awareness of the ePrivacy regulation is on the up. Nearly three-quarters cite basic or good awareness. Additionally, 78% would prefer to retain access to a 'digital single market' post-Brexit.

The most common concerns about potential changes from ePrivacy are an opt-in for B2B marketing (34%), consent requirement for cookies (26%) and an opt-in for all telemarketing (24%). These levels have remained relatively stable since chapter four.

/ Awareness and preparedness

With the deadline for GDPR compliance upon us, awareness of the new regulation has grown to its highest level so far. Good awareness has increased over time, from 53% in chapter one to 82% now.

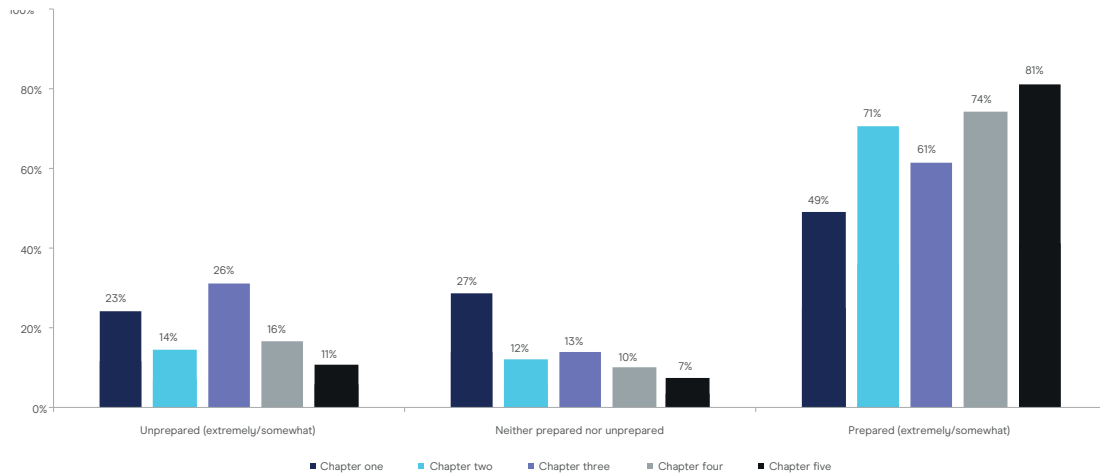
How aware are you of changes from the new EU GDPR?



Those with good awareness of the GDPR has risen from 77% in October 2017 to 82% in March 2018. Less than 0.5% now claim to be unaware of the law, which is both encouraging and necessary. This reflects the amount of guidance, training and general commentary available about GDPR, which has become a steadier flow of information leading up to the enforcement deadline.

These extremely high levels of awareness also translate into substantial feelings of preparedness, though not everyone is completely confident.

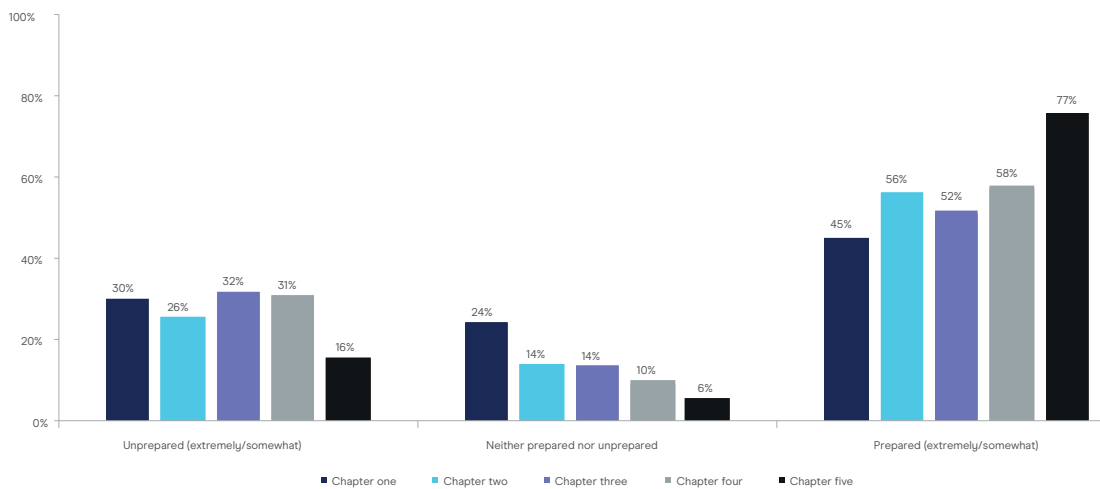
At this time, how prepared are you, personally, for these changes?



Some 81% of those polled now deem themselves somewhat or extremely prepared for GDPR. That’s an increase of nearly 7% compared to six months ago. It’s also worth noting how preparedness levels have fluctuated over time. In 2016, a shade under half of respondents claimed they were prepared for the legal changes. This rose to almost three quarters six months later, but fell again to less than two thirds by the time we released Chapter 3 - only to rebound for Chapters 4 and 5.

This suggests an initial laissez-faire approach to meeting GDPR gave way to anxiety with just a year left to the enforcement date, with confidence subsequently repaired by greater training and guidance becoming available. In short, the industry has collectively rolled up its sleeves during the past 12 months and feels a lot better for it. Only just over one in 10 participants now feels unprepared for GDPR. Yet this isn’t the case when we turn to organisational preparedness.

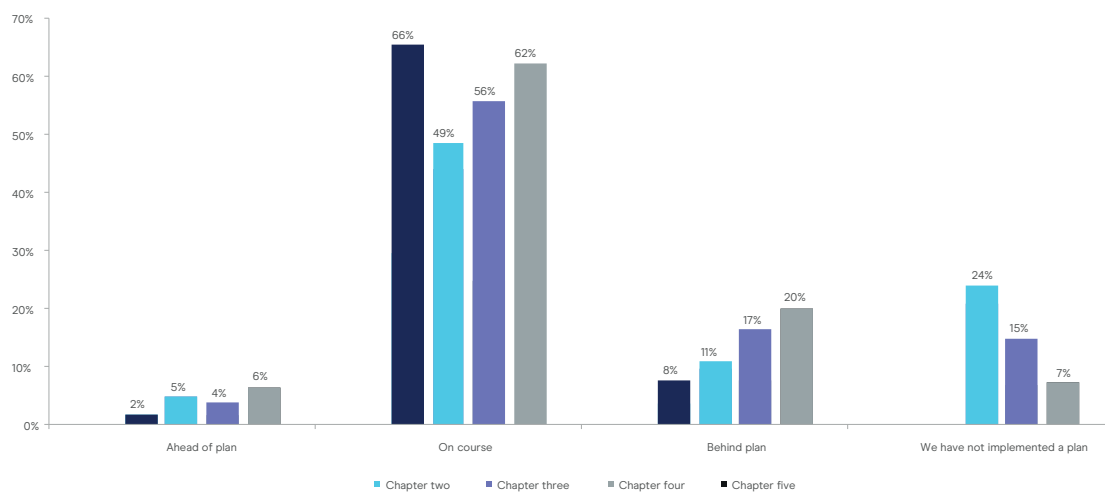
At this time, how prepared is your organisation for these changes?



Marketers remain divided into two camps on this issue. The vast majority (77%) now claim their organisation is somewhat or extremely prepared for GDPR, and although this is a good increase from the 58% of people offering the same response six months ago, almost 16% say their organisation is unprepared. That's still around one in six who don't have faith that their employer has done all it can thus far to adapt to the new regulations.

Meanwhile, concerns must be voiced over a minority of organisations that seem to be lagging behind in their preparations for GDPR.

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



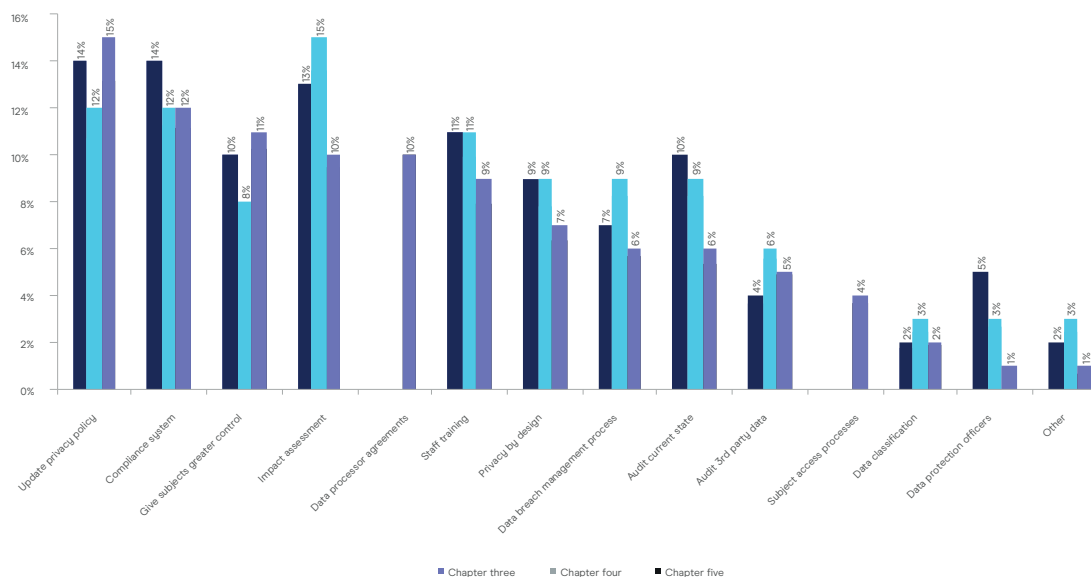
More than two thirds (68%) of marketers declare their organisation on course or ahead of plan to comply. This has risen from 59% in chapter four of this series. However, the number of organisations deemed behind plan has steadily increased since our study began. The figure is now almost 20% - and that doesn't include the 7% who say a plan isn't even being implemented.

Clearly, while personal confidence about dealing with the nuts and bolts of GDPR has increased among marketers over time - perhaps bolstered by better training and widespread information and commentary - their concern over their organisations' compliance does have a ring of truth. There is still much work to do to make UK plc compliant, even now the law has become enforceable.

/ Priorities and concerns

The biggest priorities for marketers to implement the GDPR have remained more or less the same over the past six months. Although elements demanding attention are varied, prioritisation of these tasks is quite low overall. Likewise, the biggest concerns for marketers have remained largely unchanged, though they seem less bothered about consent - possibly because of a growing awareness of the legal basis of legitimate interests.

What are the biggest priorities for you and/or your organisation about GDPR?



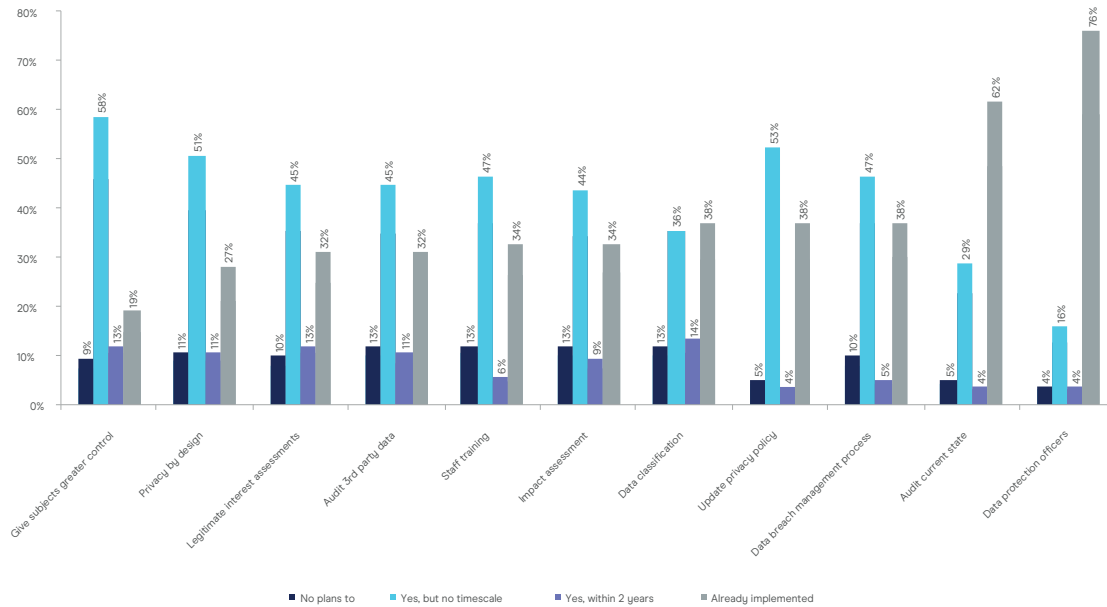
The top three priorities are to update privacy policies (15%, up from 12% six months ago), implement a compliance system (12%) and giving subjects greater control (11%). The latter has leapfrogged impact assessments (dropping from 15% to 10%) as a top-three priority. At the other end of the scale, appointing a data protection officer (DPO)

is now a priority for less than 1.5% of marketers, suggesting this is a box that has been ticked already by many organisations.

That relatively low numbers are making impact assessments and compliance systems a priority is concerning - as is the 6% of marketers placing data breach management processes high on their to-do list, making it the 8th-highest priority compared to the 5th-highest in Chapter 4. Each of these areas is a crucial building block to ensure privacy by design and overall compliance with the GDPR, and organisations should ensure these important projects are progressing.

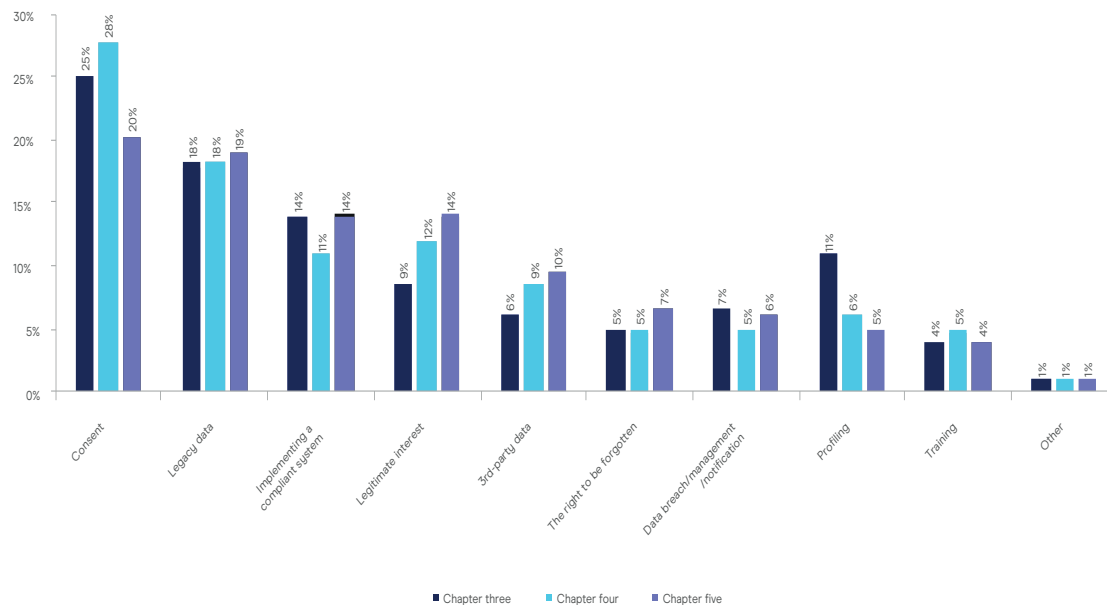
Meanwhile, implementation has pushed ahead in other areas.

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



As mentioned above, DPOs are already in post at many organisations (76%), while just under two thirds (62%) have audited the state of their data and a further 33% plan to. Updating privacy policies has been ticked off for 38% of respondents with another 57% planning to do this, although most have no specific deadline. Some of the less frequently implemented aspects of GDPR compliance include privacy by design (27%) and giving subjects greater control (19%).

What are the biggest concerns for you/your organisation about GDPR?



Consent remains marketers' main concern, though this has fallen to 20% compared to 28% six months ago. Respondents have become more concerned about legacy data (19% now compared to 18% in Chapter 4), implementing a compliance system (14% vs. 11%), legitimate interests (14% vs. 12%, and 9% this time last year) and third-party data (10% v 9%).

The latter point is interesting in the context of the recent publicity around Facebook and Cambridge Analytica, and overall the concerns show marketers suffering many different anxieties - though the percentages for most of these is quite low.

It's imperative to remember that good data-handling practice should remain a priority for all concerned even after May 25, as it underpins organisations' ability to be compliant and avoid punitive fines.

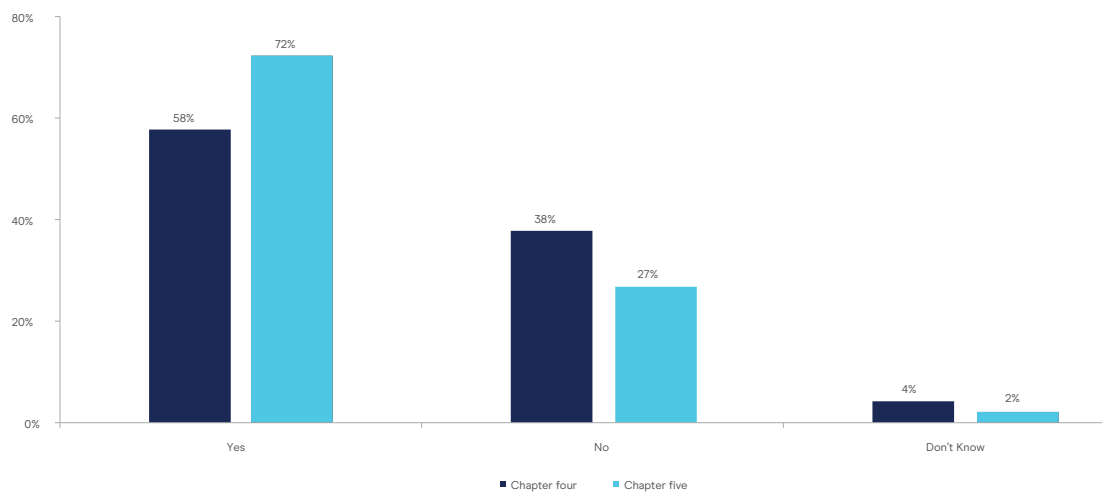
/ Training

One of the lowest-level concerns in the previous section was training, which racked up just 4% of responses.

It's still on many people's radar, despite not causing much consternation. Some 53% intend to implement staff training soon or in the future.

Additionally, the number of organisations that have already undergone training has risen to nearly three quarters.

Have you/your organisation, undergone specific training in preparation for GDPR?

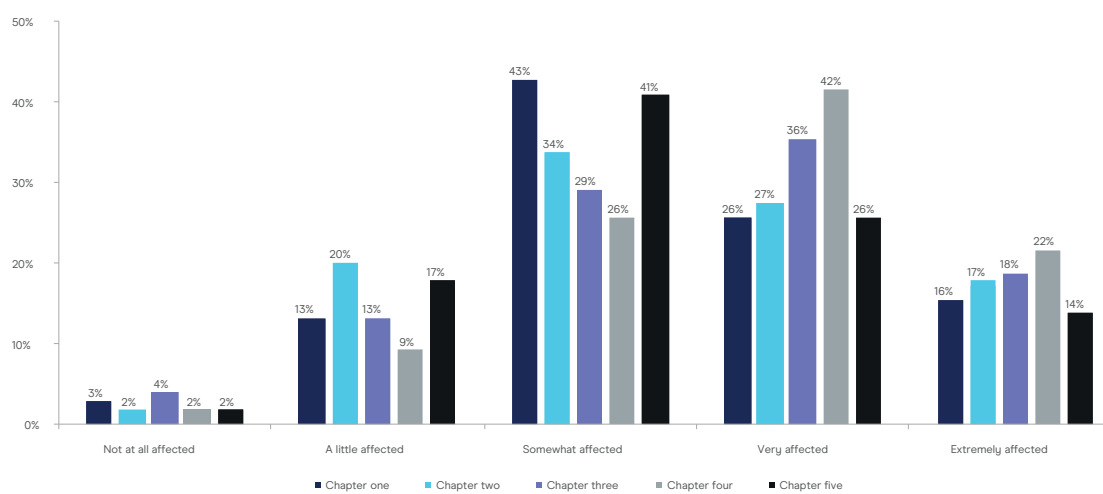


Despite that healthy rise from 58% six months ago, 27% have had no specific training for the GDPR. That rose to 34% when respondents were asked if they thought their training levels were adequate for GDPR compliance – though, by the same token, the proportion feeling the training was good enough also rose from 33% in chapter four to 54% now.

/ Impact

As the GDPR finally becomes enforceable two years since the text of the legislation was finalised, marketers' anxiety about its material impact on their organisations seems to be on the wane. A total of 39% of those surveyed admitted their employer would be very or extremely affected.

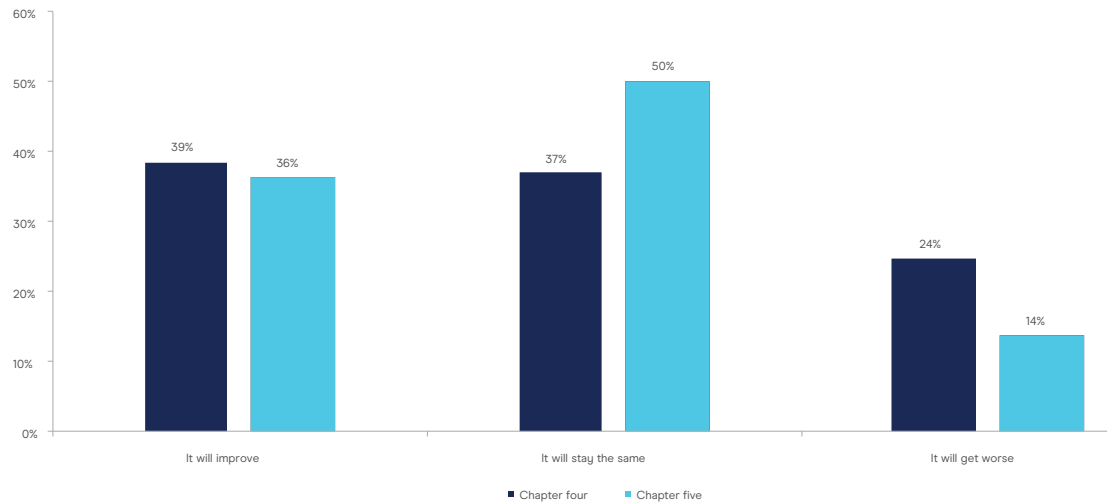
To what extent do you think your organisation will be affected by these changes?



This collective exhalation is in marked contrast to the previous survey, which found 64% worrying their organisation would be very or extremely affected by the changes. In fact, anxiety seemed to peak in chapter four, after rising steadily from chapter one onwards. A more relaxed attitude now is likely down to improved levels of training as well as the amount of guidance on offer to marketers.

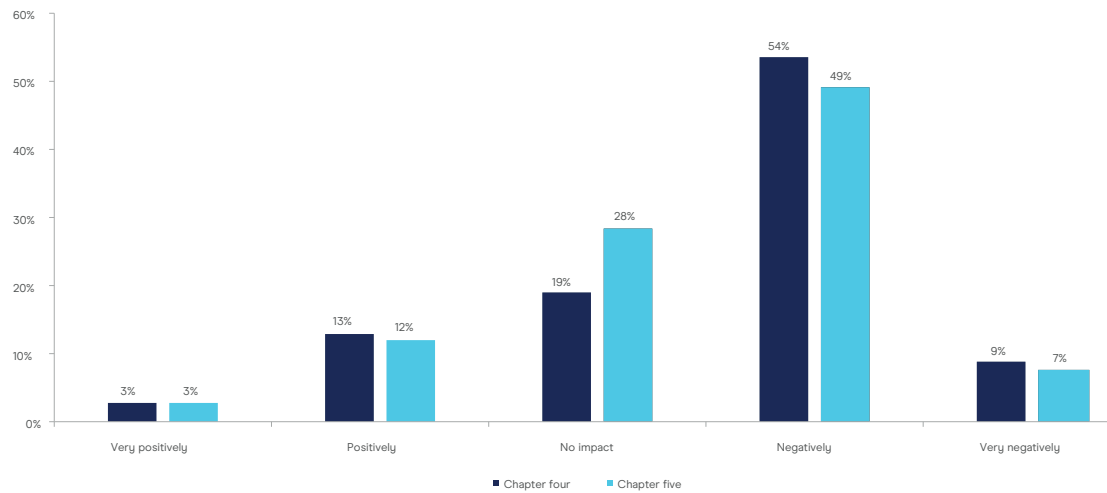
B2B marketers remain more sanguine than their consumer marketing counterparts. 28% of the former believe the GDPR will have little or no affect on their organisations, compared to 19% of B2C specialists. Around 30% of B2B people say their employer will be very or extremely affected, against four in 10 consumer marketers.

What effect will GDPR have on your organisations' ability to meet customer needs?:



More pessimistically, the percentage of marketers who think the GDPR will improve their ability to meet customer needs dropped from 39% to 36%. Although the number who were concerned customer service will get worse also decreased, from 24% to 14%, that still means only about a third of people believe their customers' experience can be improved. Yet the GDPR represents a huge opportunity for organisations of all shapes and sizes, across all sectors, to make improvements to their data-driven marketing..

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

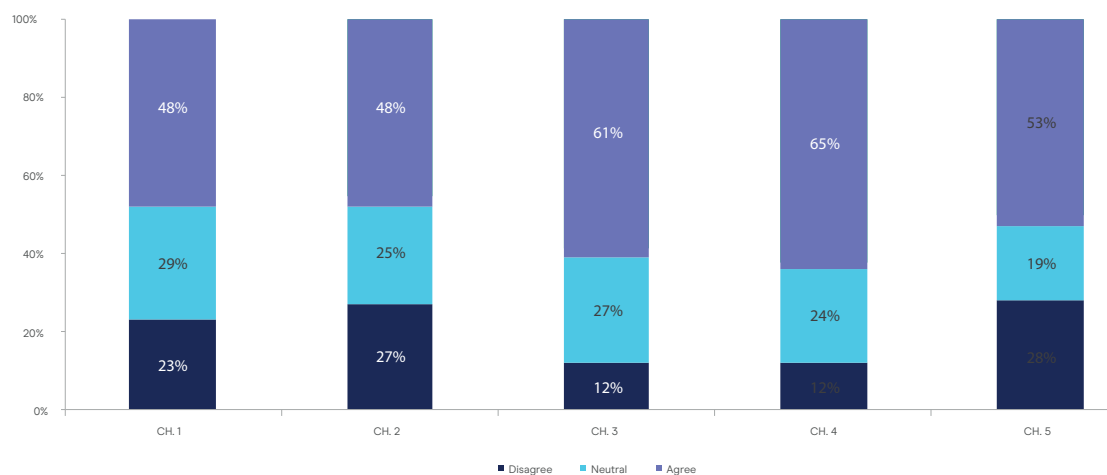


When it comes to financial impact, marketers seem to have relaxed a little. Six months ago, 63% believed the GDPR would negatively affect their organisations; in this chapter, it's 56%. Moreover, the number of people thinking there'll be no effect has risen from 19% to 28%, while almost one in six are looking forward to a positive impact.

/ Attitudes to the GDPR

Since GDPR will change how organisations handle customer data, opinions are shifting. More than half of marketers believe consumers will fare better than themselves under the new law. Just 30% disagree with this. It's a change from six months ago, when just a third of respondents believed consumers would be more positively affected than organisations.

How much do you agree with the following statement: The changes will hinder my marketing



That said, fewer respondents believe their marketing efforts will be hindered, with the figure standing at 53% compared to 65% in chapter four - the highest since our survey began. Only 28% of marketers currently believe the GDPR will make their job harder, as they seek to embrace and make the most of the changes.

The GDPR becomes part of UK law through the Data Protection Bill, introduced in September 2017. The 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.

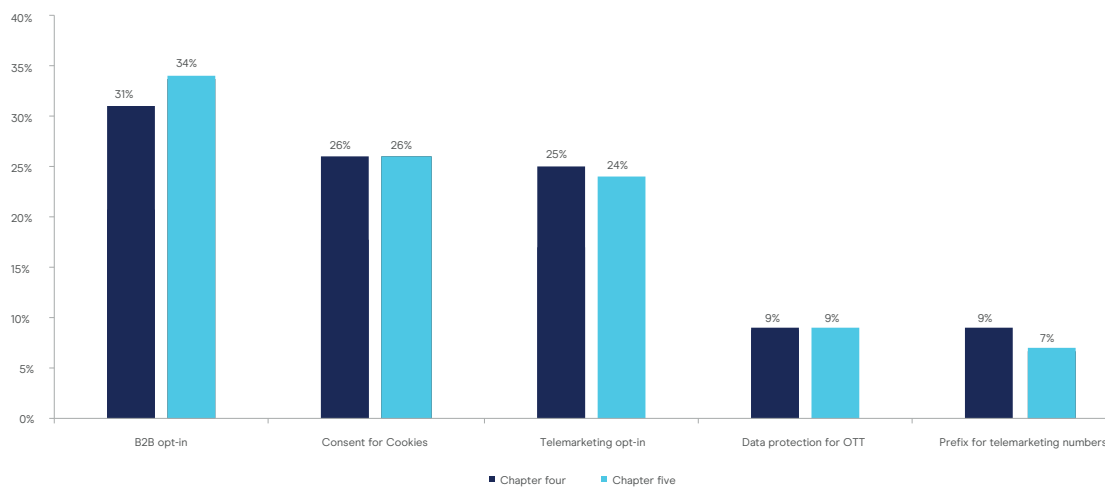
Attitudes towards the severity of data laws remain relatively unchanged from six months ago. 36% want less strict legislation, down from 41% in chapter four and back to the levels reported a year ago. There's a healthy belief in the efficacy of the GDPR, with 63% thinking it's the UK's best option for data protection going forward - an increase on the 55% seen last September.

Meanwhile, the proportion of marketers who are keen for the UK to retain access to a 'digital single market' remained almost the same (78%). A fifth said they didn't know whether they wanted access or not, indicating there is still some lack of awareness about the Government's decision that UK data protection law will remain aligned with Europe, at least until the UK leaves the EU. At that stage, UK law could potentially diverge from that of Europe.

/ ePrivacy Regulation

As highlighted in chapter four, the EU has proposed a reform of ePrivacy legislation. The text of it remains unconfirmed. Despite this, almost three quarters (74%) say they have a basic or good awareness of the forthcoming changes, which has improved from 62% six months ago..

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



Marketers' main concerns based on the draft bill continue to surround opt-in and consent: both very much at the forefront of respondents' minds on a daily basis. The major concern is B2B marketing opt-ins (34% compared to 31% in September 2017), consent for cookies (the same at 26%) and telemarketing opt-in (24%).

/ 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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