

Press Release

For immediate release

Data privacy a global theme for marketers in 2020

WARC Marketer's Toolkit 2020: Privacy-first marketing

27 January 2020 – Data privacy is both a trend in regulation, and a growing consumer demand. As such, it is one of the most important global themes for marketers in 2020.

Lawmakers in many markets across the globe are implementing stronger data protection rights which will have significant implications for marketers. Specifically, in the US, the California Consumer Privacy Act (CCPA) comes into force this month.

Like the EU's General Data Protection Regulation (GDPR), the CCPA limits how companies can collect, store, use and share customer data and gives consumers more control over their personal information. While the new regulations change the data landscape, there are opportunities for brands to present themselves as 'privacy first' to consumers wary of how their data is being used.

More than half of respondents to the Marketer's Toolkit 2020 survey (52%) believe they need to strengthen their data policies. Almost a quarter (23%) of respondents in Asia have no form of data protection in place compared with 14% globally.

Privacy-first marketing is the focus of the Policy chapter of WARC's Marketer's Toolkit 2020, the definitive, evidence-based and practical guide for marketers to plan for the year ahead.

David Tiltman, VP Content, WARC, comments: "In this final chapter of our Marketer's Toolkit 2020, we've taken a closer look at the regulatory drivers affecting marketing activity. Whilst provisions around data protection are now in place for the majority, there is still work to do."

The Policy chapter of WARC's Marketer's Toolkit 2020 brings to light the following findings:

- **Marketers anticipate greater privacy regulation in 2020**

45% of respondents to WARC's Marketers Toolkit survey expect advertising and marketing regulation to become "more strict" next year, with 88% agreeing, or strongly agreeing that digital privacy will be increasingly important in 2020.

The major development in 2020 will be the California Consumer Privacy Act (CCPA). This will give stronger data protection rights to consumers, and affect companies that rely on the collection, usage, buying and selling of consumer data – including social media giants, third-party data brokers, and online behavioural advertisers. Companies that fail to comply risk a hefty fine – and, as the survey suggests, a loss of consumer trust.

Home to over 39 million people (10% of the US population), California's act is causing a ripple effect across other states – several have already drafted similar data privacy legislation. Industry bodies are lobbying for a federal privacy law, preferable to marketers having to navigate different state regulations.

Marc Pritchard, Chief Brand Officer, Procter & Gamble, comments: "We're doing [with CCPA] just as we did on GDPR. We really take a very high standard when it comes to data. What we would prefer is a common privacy approach [in the US], because it'd be ideal to have one privacy approach and not 27, or, worse, 50."

Dave Grimaldi, Executive Vice President, Public Policy, Interactive Advertising Bureau, cautions: "The misuse of consumer data under this new CCPA regime could be the death knell for a company. We hope it won't be, but this is why marketers must act now."

In China, meanwhile, the Personal Information Security Specification proposes an "unbundling" of data protection consents, which will affect the ability to use consumers' personal data for marketing purposes. Marketers can expect greater scrutiny, particularly on data that are deployed for personalised marketing, such as transaction data, location and device data, and behavioural data.

- **Consent management and 'small data' are top priorities for 2020**

Consent, permissions and transparency will be the new normal for marketers in 2020. The WARC survey finds 57% of respondents agreed or strongly agreed that they are "readdressing consent management practices in light of privacy regulation".

Some are investing in consent management platforms (CMPs) which collect and store customers' consent data, enabling marketers to keep track of peoples' privacy preferences and permissions.

Marketers are also prioritising first-party data, with 58% of respondents agreeing or strongly agreeing that they have a strategy for actively collecting first-party data from customers. Not only is first party data compliant with regulations, it also gives brands the opportunity to identify and engage with opt-in customers who actually want to hear from them.

Like Europe's GDPR before it, CCPA encourages companies to have a data minimisation strategy i.e. companies should not keep data they do not need. In this environment, marketers may pivot from big data, to smaller, smarter, more secure data, enabling marketers to nurture relationships with lots of smaller, niche communities of opt-in consumers.

Jill Baskin, Chief Marketing Officer, The Hershey Company, says: "For us, a big part of it is whether we agree with how our partners are using data. We just want to get a lot more transparency from our partners... How are they keeping [data]? We want to have not just what's the legal thing, but what we ethically think is right."

Ivan Pollard, Chief Marketing Officer, General Mills, comments: "We're going to keep making sure we're doing the right thing with data. I don't think it's enough to do a 'click here and accept our terms and conditions,' knowing that 90% of people never read them. We've got to be clear about what we're asking for and what we're going to do with it. That's number one."

- **Regulation of big tech is welcomed by marketers as well as consumers**

Big tech firms are under increased scrutiny by consumers and lawmakers. Facebook, in particular, has been embroiled in a series of privacy scandals.

GroupM's Rob Norman, Senior Advisor and Brian Wieser, Global President, Business Intelligence, note: "The issue of privacy and exploitation of data is among the most complex of our time. Even if consumer privacy is not being unjustifiably violated, the monetisation of data by major platforms has become a social, political and regulatory lightning rod."

A study by YouGov found that just over half of global consumers want to see more regulation of tech and social media companies. This attitude is shared by marketers: 86% of WARC's survey respondents think big tech companies should be subject to greater regulation.

- **Consumers will take more control over their data and their digital identities**

Several surveys have found that consumers are being much choosier about where and how they share information.

Research by Dentsu Aegis revealed that 44% of global consumers have taken steps to reduce the amount of data they share online. The Advertising Research Foundation found that US consumers have become less willing to share various aspects of personal data. Recent research by Fudan University and Publicis Media China showed Chinese consumers are most likely to share basic demographic or behavioural information, but they are most concerned about sharing highly-sensitive biometric/healthcare or legal/financial data. And a recent study by consulting firm Accenture found consumers are suspicious of emerging technologies that promise to make their lives easier while collecting more data about them.

Brands recognise this shift. 66% of respondents to the WARC Marketer's Toolkit survey agreed or strongly agreed that consumers will take greater control of their data in 2020.

New tech has driven fresh concerns. Connected devices such as Google's Nest thermostat, Amazon's Alexa and Facebook's Portal TV are capable of gathering rich consumer data and are increasingly common in private spaces such as peoples' homes or cars. Marketers engaging in emerging tech should review how they are using consumer data, and ensure they are compliant with data privacy laws.

WARC's Marketer's Toolkit 2020 is based on a survey of almost 800 client and agency-side practitioners around the world, combined with insights from a series of interviews with Chief Marketing Officers, backed by evidence from WARC Data, case studies and expert opinion.

The report, available to download [here](#), covers five key drivers of change: society, tech, economy, industry and policy. A deep-dive into each of the five chapters including more on Policy: Privacy-first marketing, is available to WARC subscribers.

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