



BIG DATA BIG RESPONSIBILITY



We are
Data-Driven
Marketing !



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AND INTERACTIVE MARKETING**

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A new World of Data

Communication in general and marketing in particular went through colossal changes which were imposed, to a certain degree, by deep and fast technological evolutions. The development of internet, Search Engine, Smartphones, Social Media, Apps, Internet of Things have reshaped our world in impressive and successive waves.



Personalised and interactive communication

These evolutions have changed the way we communicate to each other, but also the way organisations and individuals interact and the way we consume. With internet, one-way communication, from organisations to the customer, is not enough anymore. The customer wants to play an active role in advertising: he/she wants to ask questions, to get answer, to give opinions, to express his/her preferences. Technologies has allowed communication to become interactive.

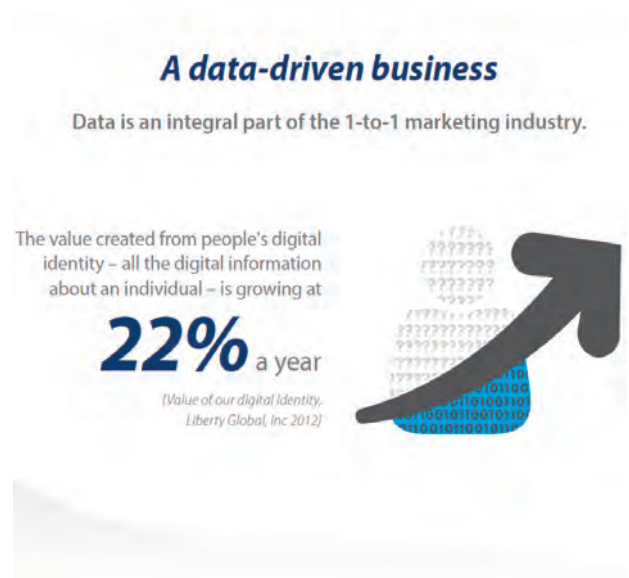
Such interactivity gives the opportunity to customers to be perceived as unique by

organisations. Through the millions present on digital and social media, the customer wants to be perceived as unique. So brands have the ability to put the customer in the centre of their strategy and to offer him/her what he/she wants: a personalised communication and a real-time experience. Personalised communication business models are based on data.

Data-Driven Marketing and Privacy – a valuable partnership

Data-Driven Marketing is the most efficient and respectful communication channel. Data-Driven Marketing success is based on data while providing individuals with the ability to express his/her choices, preferences, interests...

Access to data is the basis and main asset of this sector, in a world where privacy and data protection have become an increasing concern, and where transparency to the individuals and ethics in data management are keys to success. The Data-Driven Marketing industry has worked for decades and still works every day to build and maintain the most important asset we have: the customer trust.



THE CHALLENGE OF DATA AND THE POTENTIAL OF PRIVACY

By Ivan Vandermeersch, General Secretary of the BDMA

On 25 January 2012 the European Commission sent its proposal for a Data Protection Regulation to the European Council and the European Parliament. More than 2 years later, both the European Parliament and Council are finally ready for the “trilogue discussions”, where a compromised will be negotiated. In the meantime Edward Snowden showed up, 90% of data worldwide was created and Facebook is investigated by many regulators. This is the wall that the European negotiators are facing.

2 years ago Snowden threw his bomb, and eventually Obama had no choice but to admit; “Yes, we scan”. This placed government interference at the heart of the debate, but businesses also suffered blows. Everything was muddled up. Obama and not the world of business wanted to know whether Merkel had a male or a female friend. And today Merkel is the nosey parker.

Fairly soon the NSA’s intrusive spying practices were rejected by the American Congress, which even found that they did not prevent any terrorist attacks and therefore did not serve their original purpose. Since 2013 several bodies in Europe have rejected such practices. Yet democracy, bearing the Nazis in mind, must be on its toes when hearing statements like Cameron’s: “Do we want to allow a means of communication between people which we cannot read?” and “for too long, we have been a passively tolerant society, saying to our citizens: As long as you obey the law, we will leave you alone.”

In the meantime the Data Tsunami arrived. 90% of data worldwide was created in the past two years. The quantity of data is growing

exponentially, originating all around us, yet we especially create data ourselves, through our interactions with the Internet.

“Big Data” refers to any collection so large or complex that it becomes difficult to handle using traditional processing systems. Data is unstructured or structured, numerical from traditional databases, created by applications, documents of unstructured text, e-mails, videos, audio formats... Data sources are fed with a fast and permanent flow of new information, generating large quantities of data. In real-time as it were.

Legislation can barely keep up with the pace of technology. Inventions are no longer a matter of years, but of months. Speed is the standard. Going against the stream is pointless. That is why legislation should contain a number of solid basic principles complemented by flexible self-regulation to deal with rapidly evolving technical aspects.

Internet platforms such as Facebook, Twitter, LinkedIn and Google, receive large quantities of data. What matters is that these actors contribute to boosting economic development among others, as a communication platform for SMEs. For these companies it is key to use personal data proportionally based on reasonable objectives in respect of the consumer. Remain competitive and yet respect the applicable rules identical to those applying to companies established in Europe, subject to European legislation. For these companies this is also an opportunity, because traditionally European privacy legislation is a worldwide example – the idea being to invest on other continents with an eye on the future. This is a train Facebook had better catch.



Personal relations last the longest if individuals and their privacy are respected. The major challenge for businesses will be to make this relation with citizens transparent, and for public administrations to respect citizens' fundamental rights and freedoms, so that economic development can go hand in hand with consumer interests. Because politics must safeguard citizens' freedoms.

It is key to strike the right balance between the interests of consumers and businesses, of citizens and public administrations. Between prohibiting and authorising access to data. Using resources and equipment that are proportionate to objectives. Privacy is no longer only a matter of protection, but it is growing into a challenge when it comes to offering opportunities. Because our society today is a data society.

Ivan Vandermeersch is BDMA (Belgian Direct Marketing Association – www.bdma.be) Secretary General. In parallel he is also active with FEDMA, the Federation of European Direct and Interactive Marketing (www.fedma.org) as special adviser to the board. His expertise regarding media, data protection legislation and interest in new developments makes him an excellent trend watcher on media.

SETTING THE RIGHT BALANCE BETWEEN DATA AND PRIVACY THROUGH SELF-REGULATION

Understanding that access to personal data implies heavy responsibilities the data driven marketing industry is centred on the customer, and depends on the trust that the customer puts in his relationship with the marketer. The European data driven Marketing industry has been proactive in fostering ethical data management, as well as respect the individual's choice to be contacted or not. Our belief is that this can be best achieved through self-regulation. For this reason, FEDMA has introduced a number of self-regulatory codes and guidelines in the past which are mutually beneficial to the customer and to the marketer.



“It is crucial that the data driven marketing industry is proactive at finding the solutions that supports the industry in using data in an innovative way while ensuring that the fundamentals of data protection and privacy are maintained. Self-regulation is the tool helping us create and nurture this relationship of trust.”

Sébastien Houzé, Secretary General of FEDMA

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In this quest for the right balance, FEDMA is the only European trade organization having two codes of conduct approved by the Article 29 Working Party. The code of conduct on the processing of personal data for direct marketing purposes has been negotiated in 2002 with the national data protection authorities gathered at European level within the so-called Article 29 Working Party, and the European Commission. The code is applied by the national data protection authorities as well as by the industry. An annex dedicated to on-line direct and interactive marketing has been negotiated in 2010. Furthermore, FEDMA, together with other organisations from the advertising sector, have developed a pan European Self-regulatory programme for online Behavioural Advertising. FEDMA is part of the European Interactive Digital Advertising Alliance (EDAA) which licence the 'OBA Icon' to companies involved in Online Behavioural Advertising across Europe.

Anticipating the regulatory changes and the evolution of both the perception of privacy and the technology, FEDMA has produced a Charter on Ethical Personal Data Management which highlights the principles of the code of conduct on data processing for direct marketing purpose. This charter provides companies and organisations with easily understandable principles to support and to directly apply in order to encourage the industry to develop good practices. This Charter is a milestone towards the development of a new European code of conduct adapted to new laws and technologies.

The new data protection legal framework, soon to be adopted by the European co-legislator will

leave plenty of rooms for interpretation and sector specific implementation. The legislation includes a section on self-regulation. Furthermore, when preparing for the implementation, the European Commission is looking at self-regulation as the preferred tool, leaving industry the necessary flexibility to appropriate themselves the new rules to their specificities.



“Associations have also a very important role to play in understanding and adapting the (Data Protection) Regulation to their needs. The Regulation provides for self-regulatory measures or co-regulatory measures such as code of conduct which can help an industry explaining to its members, and to users, how to implement the data protection rules in a safe way. FEDMA has a lot of experience in code of conduct, the FEDMA code of conduct is the first code of conduct that has been adopted and supported at EU level by the Article 29 Working Party.”

Nicolas Dubois, Policy Officer, European Commission



Supporting this approach, and with the strong willingness to update its code of conduct, FEDMA announced the launch of the review process at the European Parliament, During the Data Protection Day, the 28th January 2015.

Engaging the dialogue

The regulators will play their role in interpreting the legislation. It is crucial that an ongoing dialog can take place between them and the industry, ensuring the development of a common understanding of the uses and best practices around personal data. The role of the regulators, especially at European level, in the Article 29 Working Party (the future European Data Protection Board) is also to support the development and adopt industry codes of conduct. In being proactive in the development of its code of conduct, FEDMA wants to ensure that both the industry and the Regulators are thinking together to develop workable solutions.

The perception of self-regulation has evolved among the legislators. As an illustration, the European Commission has created in 2014 and is driving the Community of Practice for better self and co-regulation. Led by Robert Madelin, Director General in the European Commission, this platform of stakeholders aims to share successes and failures of self and co-regulation actions and to enhance their capacity to deliver on societal goals. As a supporter of industry self-regulation, FEDMA is a member. The added-value of the community is to set up guidance and objectives for modern model of self-regulation, effective and successful.

“The new legal Data Protection framework will reinforce the obligation of Member States and for the European Data Protection Board to insist on codes of conduct at national and EU level.”

Giovanni Buttarelli,
European Data Protection Supervisor

FEDMA intends to inspire itself from the best practices in other sectors. In the field of data protection, the notion of accountability remains key to a successful implementation of self-regulatory rules.



“Organisation like FEDMA can transfer the knowledge of the law and experience of processing data into a competitive advantage for companies. Self-regulation in direct marketing is a very good example of setting a real stand for the processing of personal data.”

Wojciech Wiewiórowski, *Assistant European Data Protection Supervisor*

In a discussion on the concept of accountability, Ms Isabelle Chatelier, Head of Legislative Policy for the European Data Protection Supervisor (EDPS), explained that organisations need to “*shift their approach to data management rather than just doing the minimum required and a box ticking exercise*”. Businesses need to assess how data protection should be included in their practices, and the principles of the FEDMA



Charter on Ethical Personal Data Management aim to help them in going in the right direction. *“With the rapid development of the digital world, self-regulation is really about creating new and innovative way to empower user”*. Accountability is a new way to look at the responsibilities of the controller, ensuring that the rules are really put into concrete practice. Accountability can be defined by three elements: ensuring compliance, being ready to demonstrate compliance on request, and being able to verify the effectiveness of the measure put in place. These three element should be tackled within a code of conduct. However, in reality, accountability has to be implemented by each and one organisation, thus strengthening the role of the data protection officer.

The key role of education

With the constant evolution of technologies it is crucial for marketers to remain up to date and at the forefront of innovative use of data. However, we can already observe a knowledge gap in data analyst and all professions related to the use of data. Education and permanent training is key in order for the business to seize the opportunities presented by the digital single market and the potential of data. Besides the knowledge gap, marketers also face in Europe the legal uncertainty of what can and can't be done with personal data. Education about privacy and data protection in the field of marketing can contribute to reducing such uncertainty and promote the implementation of the rules into organisations daily data processes.

“I welcome that FEDMA is now on the forefront to show that business stakeholders can take structured self-responsibilities: you are the one who are going to implement the Regulation, you need to be part of the process.”

Anna Maria Corazza Bildt, MEP



“Marketers, data business, legislators and governing bodies need to be aligned in their approach and ensure the public is being properly educated and guided about

how their data is being collected, why, how it can benefit them and most importantly how it is being protected. That said, the data driven marketing industry needs to work together to ensure that policy makers, regulators and politicians also understand the mechanics of this value-exchange, to ensure there is no confusion about the role data plays in the marketing mix and the value it provides.”

Dr Sachiko Scheuing, Co-chair of FEDMA

The balancing exercise of trade organisations

In a world where the increasing use of data meets the challenges of strengthened legal framework the role of trade organisation like FEDMA, is becoming increasingly important. In developing a set of tools, such as codes of conduct, education programme, and in positioning themselves as dialog partners to the regulators, trade organisations can help the industry harness the potential of data responsibly.

Author: Sébastien Houzé, FEDMA, Secretary General



We are
Data-Driven
Marketing !



- Fostering Ethics & Privacy in Marketing
- Harnessing the Potential of Data
- Respecting Customers & Providing Relevance

FEDMA

The only omnichannel
European Federation supporting
the entire customer journey

FEDERATION OF EUROPEAN
DATA-DRIVEN MARKETING