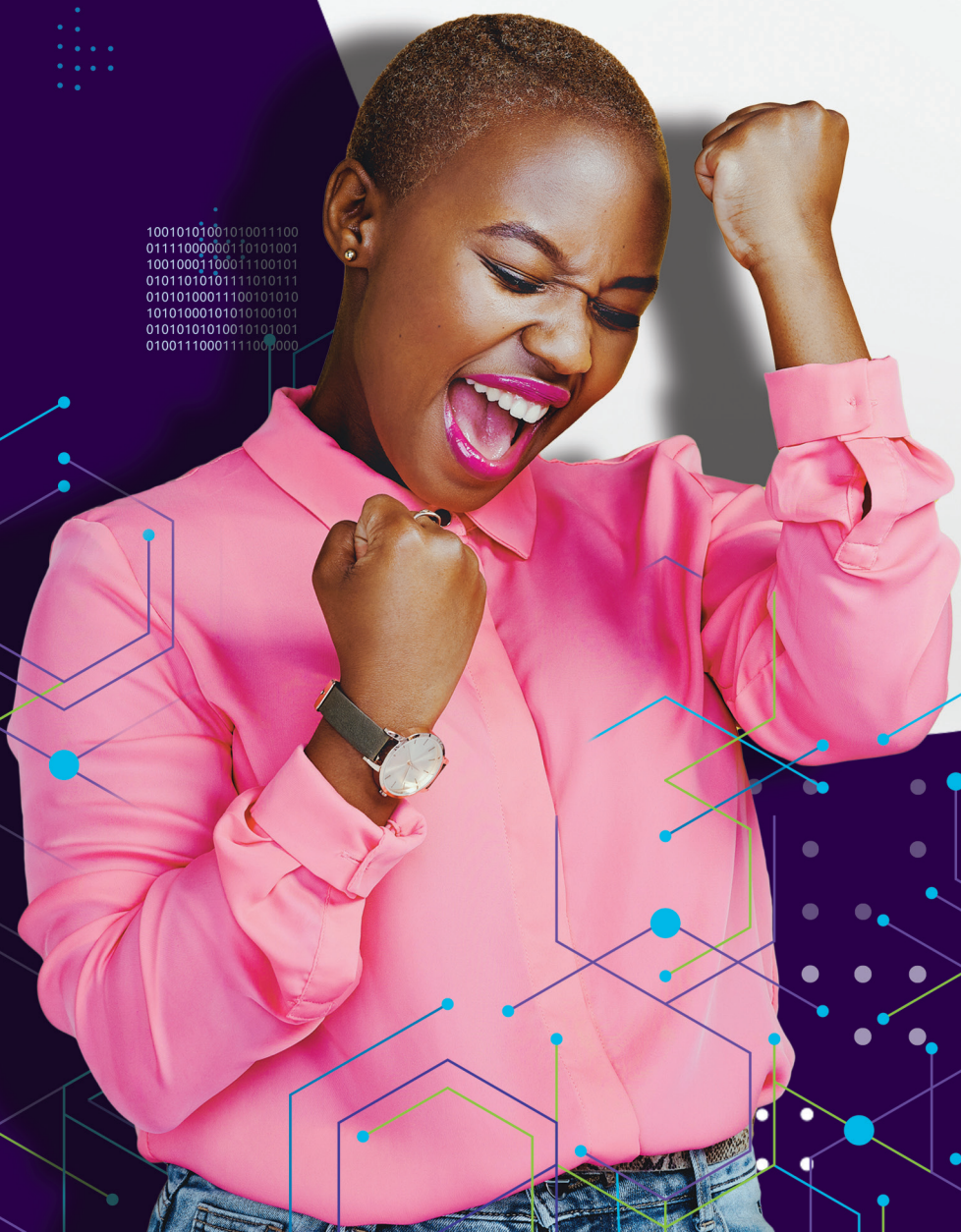


# CONNECTED MARKETING

## DATA AND COMPLIANCE

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## Are marketing organizations looking in the wrong direction when it comes to data and compliance?

**Data. It's either a marketer's dream or a compliance nightmare. Whichever way you look at it, data and compliance in combination are a strategically important topic for today's chief marketing officer (CMO).**

New technology and channels, along with rising volumes of data, provide new ways of engaging with customers. But with this data come challenges relating to evolving and inconsistent regulatory and legal environments. Surprisingly, rather than fixing the issues and investing in a compliant way of handling data as a vital business asset, many CMOs are simply allocating budget to paying fines for non-compliance. But these CMOs are looking in the wrong direction.

At Cappgemini, we believe that getting to grips with your data compliance offers an extraordinary opportunity to build trust and make privacy both a brand differentiator and growth enabler. You are certainly not going to engender customer trust if word gets out that your approach to data privacy is simply to pay the penalty for non-compliance. And let's be frank, if that happens, the penalty will go beyond a financial impact to cause lasting reputational damage and, potentially, risk business continuity. Globally, this approach is simply postponing any required action: paying a fine does not mean the problem has been resolved. The logic of legislation is that you are likely to need to implement compliance requirements anyway.

Setting a new course for your data and compliance will bring many rewards. In this point of view, we look at the data and compliance challenge from the perspectives of the customer and the CMO.

According to Forrester's Business Technographics Marketing Survey, CMOs prioritize innovation, growth, and compliance. **48%** of CMOs stated that to better comply with regulations and requirements was a top business priority for them over the next 12 months. Compared with **36%** marketing decisions makers overall<sup>1</sup>.

<sup>1</sup> "Business Technographics Marketing Survey, 2020," Forrester Research Inc., August 2020.







We argue that rather than allocating budget to possible fines, CMOs should organize data and process to embed privacy-by-design into the customer journey, ensure that changes in the regulatory environment are integrated into products and services, and link all systems with customer data to ensure consistency. CMOs are well placed to understand what their customers want and target engagement in a way that addresses any concerns regarding their privacy.

## What do your customers want?

Why haven't the increasing amounts of customer-related data and channels resulted in better insights and customer loyalty? You might be thinking: "But, we do get results!" And it's true, some organizations are getting it right. But not many. Instead, marketers are developing cross-devices products and services (based on advanced technologies, such as chatbots and AI-interactions) to accompany and engage customers at every moment of their life, yet research suggests that only 30% of data provided by these cross-devices is collected by marketers<sup>2</sup>.

**54%**  
of people feel frustrated by companies that use their data to serve targeted personalized ads<sup>3</sup>.

Even when the data is collected, there's a shift in customer attitude that must be addressed. At the beginning of the digital marketing era customers happily provided their data to get personalized services and (supposedly) improve their lives. However, bombarded by irrelevant ads, concerned by data leaks, and more aware of privacy regulations, it suddenly felt that their personal data was simply up for grabs by canny marketers. In-deed, "privacy of data" is now cited by consumers as the top priority companies should address.

There are other considerations that feed into marketing's new data and compliance model. So, what do today's consumers want?

- **Transparency** – They want to know what data is used for which purpose.
- **Empowerment** – They want to be able to tell you when something isn't right (or when it's great).
- **Accountability** – They want you to treat their data ethically and with consent.

We will look later at how CMOs and their teams can build on these three pillars to drive revenue uplift through customer satisfaction and loyalty

## Making customer data count – the CMO challenge

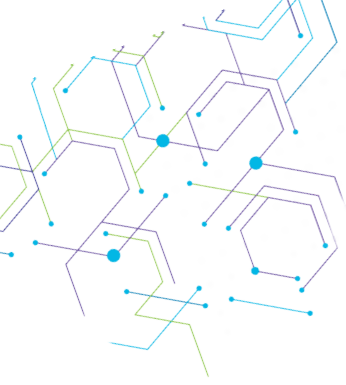
CMOs must keep up with new channels and focus on becoming leaders of change instead of being disrupted. It's up to the CMO to establish the marketing/IT shared goals and represent the voice of the customer inside the company – embedding data and compliance every step of the way.

There are a number of internal hurdles for the CMO to overcome to transform data into an asset:

- **A rapidly evolving business context**
  - **Governance** – A lack of sound governance and the broad scope of responsibilities have the potential to affect all data-driven marketing activities.
  - **Internal collaboration** – Alignment with executives, multiple departments, and external partners fosters organizational complexity, which may impact time to market. That's not all. Internal collaboration doesn't always go smoothly and matters that should be handled consistently enterprise wide, such as interpreting laws and regulation, are often treated differently.
  - **External partners** – Marketing departments can find it challenging to strike a balance between internal and external capabilities, leading to a lack (or imbalance) of accountability for data shared with third parties, as well as inconsistency in the quality of data supplied.
- **Scattered and siloed customer data**
  - **Data management** – Outdated and fragmented IT system landscapes can prevent connecting and distributing relevant customer data. CMOs need a full understanding of all touchpoints, preferences, and permissions linked to a customer, and to ensure all customers are always clearly identifiable.
  - **Data quality** – Unreliable data quality is a common challenge for building personalized products and services compliantly, making it difficult to scale up proper consent management. The CMO must ensure compliant marketing based on customer consent.
  - **Cross-device connectivity** – An exponential volume of available personal data requires thorough technical measures to define a framework for data collection, storage, and processing. It is imperative to understand where customer data is vulnerable and how to protect it.

2 "Only 30% of marketers collect data across all channels," Clément Fages. June 3, 2020.

3 "2020 Consumer Privacy Expectations Report," DataGrail, Daniel Barber, January 28, 2020.



- **Regulations and ethics perceived as constraints**

- **Data regulation** – The wide range of global data regulations requires a constantly adapted marketing operational model. This may rely on a mature data privacy strategy and governance, with different regulatory environments (GDPR, CCPA, etc.) being considered.
- **Geographical scope** – Data regulation may have different impact on the marketing strategy, and products and services, depending on the country and/or regional requirements. CMOs must understand how to handle country specific differences for the same regulation.

- **Data driven by purpose** – Apart from regulatory requirements (GDPR), the ethical aspect of data use is not currently mature. CMOs may find a differentiator instead in accountability and responsible use, with a clear “purpose” for the data.

This list of data and compliance-driven challenges is not insurmountable. Addressing them gives the CMO control and an overview of all data relevant to marketing activities. In turn, this clarity enables a seamless and holistic approach to customer data privacy, building trust in the brand<sup>5</sup>.

## Data and compliance are marketing gold

Consumers want to know their data privacy is being taken seriously. CMOs have an opportunity to stop paying non-compliance penalties and invest the budget in improving brand differentiation. It's surely a win-win situation.

So, how do you make it happen? How can the CMO enable and/or establish compliant and data-driven marketing that makes the customer happy?

**40%**  
of global consumers will increase their online spend by at least 20% if they receive certain data privacy and cybersecurity assurances<sup>4</sup>.

We recommend looping back to the three pillars of customer need: transparency, accountability, and empowerment.

- **Transparency – Create a value-adding database**

- Ensure internal transparency of customer data with a data catalog and data governance.
- Promote data transparency and let your customers know about it.

- **Accountability – Ensure thorough consent management**

- Consent is not an option. It is a foundation of GDPR compliance.
- Ensure compliance by only addressing those customers who give their consent and want to be included in marketing activities.
- Customers who see that they are being treated fairly, with their rights being taken seriously, will view the company favorably.

- **Empowerment – Give people greater control over their data and actions**

- Give your customers more power by using self-service portals, through which they can manage the data given to the company and their consent to use it.
- The ultimate objective is to create the context where a customer provides the data you need on their own initiative (first-party data and zero-party data).

## Data and compliance-led transformation

At Capgemini, we have helped many leading brands to transform their approaches to privacy, data, and compliance. The outcome is typically stronger customer centricity and brand trust built around a transformed marketing data landscape.

To reach this outcome, we have developed an approach that enables the compliant handling of customer data and consent. This will become an important strategic need in the coming years. Gartner “By 2023, 65% of the world’s population will have its personal information covered under modern privacy regulations, up from 10% today<sup>6</sup>.”

### What we do

Our proven and standardized approach enables us to gain an understanding of our clients’ data organizations, assure actionable results, and safeguard their customers’ personally identifiable information (PII).

4 “Cybersecurity: The New Source of Competitive Advantage for Retailers.” Capgemini Research Institute, May 2018.

5 “How Consumer Privacy is Reshaping the Retail & Ecommerce Landscape.” Data protection forum & Datagrail, July 2020.

6 Gartner, The State of Privacy and Personal Data Protection, 2020-2022, Nader Henein, et al., 26 August 2020.

## Here's how:



**We analyze all the information relating to how data privacy/compliance is organized.**



**We identify potential threats to compliance from the CMO's perspective.**



**We define safeguards/actions to tackle the identified threats.**



**We improve long-term compliant data handling and drive efficiency.**

For example, an analysis of one client's data landscape revealed that a lack of a central customer data pool meant data quality was poor. Multiple marketing consents and consent management systems across entities risked data compliance because there were no uniform data protection standards. There was also a lack of transparency in terms of marketing consent status. Data silos meant customer data wasn't being effectively shared within the company, a situation compounded by an assortment of marketing and lead management activities.

We worked with the business to build a uniform and standardized marketing consent and consent management system. We also established a high data protection standard throughout Europe and the central customer data pool, and enabled data sharing across the company's ecosystem.

The company now has a single point of truth for consent information about its customers and services on all sales levels. Compliant, personalized, data-driven lead and campaign management is now possible, based on a wide data scope.

## What direction will you take?

We hope this point of view persuades you that data and compliance are a prerequisite for marketing success. While withholding budget for possible fines might offer a quick fix, it won't turn your customer data into the valuable data asset it could be.

Rethinking your data, tracking it across every marketing touchpoint, safeguarding it, and using it responsibly will reap rewards. How? By ensuring your marketing content is managed compliantly, targeted relevantly, and has a defined purpose.

At Capgemini, we combine our marketing and data compliance experience to identify the threats, put in place measures enabling compliance, and ensure our clients are trusted to capture and use customer data appropriately.

## Get in touch

To find out more and get your data and compliance journey under way, contact:

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As Senior Manager at Capgemini Invent, Marian Meyer-Tischler leads large, international and complex projects in the areas of regulatory, data management, data privacy, business intelligence, and process optimization. He benefits from many years of professional experience and has extensive regulatory knowledge in the banking and automotive sector and its implications for organizations and processes.

Before joining Capgemini Invent, he worked for several years for a boutique consultancy in the area of risk and regulatory.

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Before joining Capgemini Invent France, she worked for several years in the financial services sector in different countries.

## About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology, and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. A responsible and multicultural company of 265,000 people in nearly 50 countries, Capgemini's purpose is to unleash human energy through technology for an inclusive and sustainable future. With Altran, the Group reported 2019 combined global revenues of €17 billion.

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