

data and privacy **summit.**

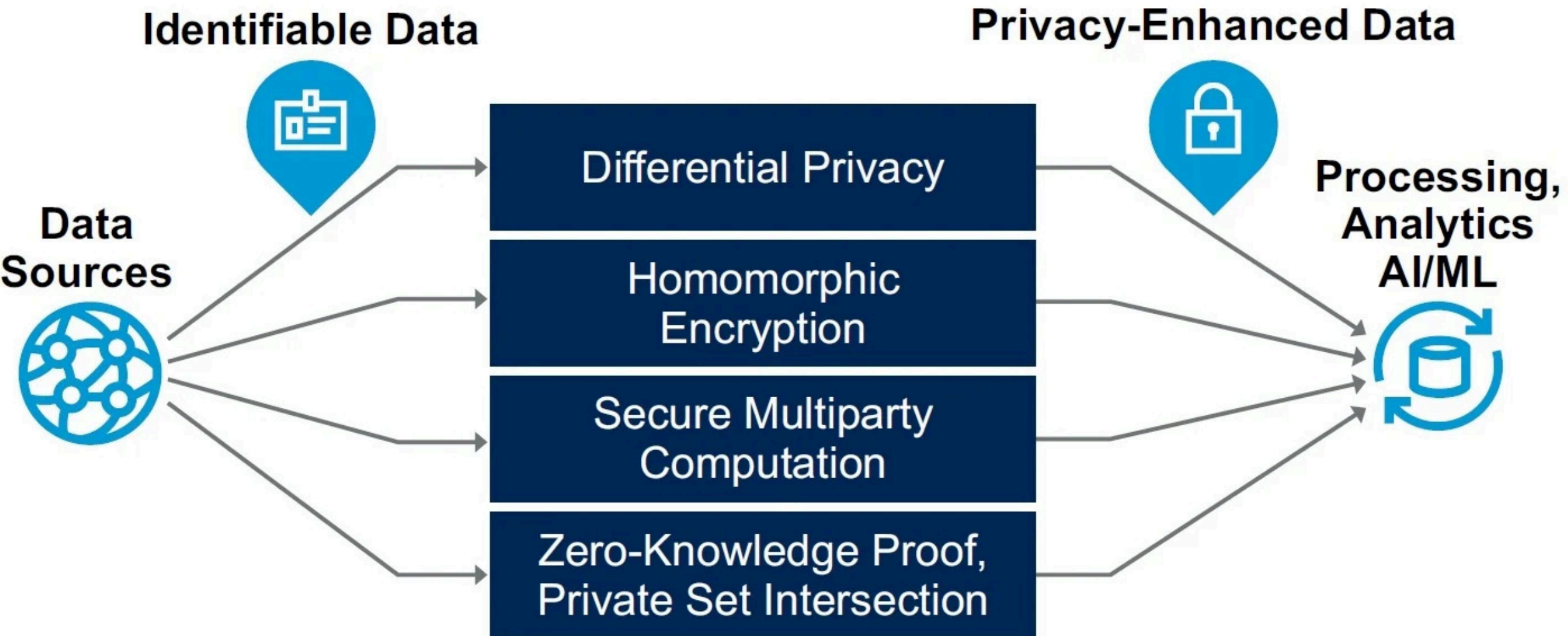
JUNE 2022

today's agenda

1. introduction to the 1 PD handbook
2. collaborative partnerships
3. privacy reforms & compliance
4. industry panel discussion

considerations

- responsible addressability
- interdependent eco-systems
- cutting-edge technologies



1st party data handbook: *definitions, examples & insights*



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Technology Lead

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General Manager

Foxcatcher



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GM, ANZ

InfoSum

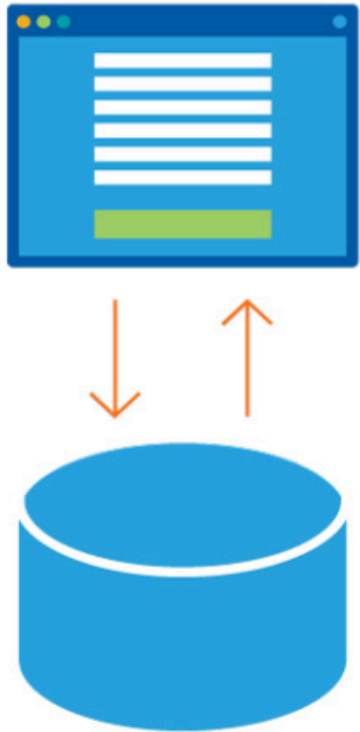
data council 1PD handbook content

- Definitions & Examples of 1st Party Data
- Data Collection
- Enrichment & Management
- Execution & Usage
- Consent & Consumer Privacy
- The 'Consumer Value Exchange'
- Case Studies & Commercial Examples
- Future Developments in this area

Data Definitions

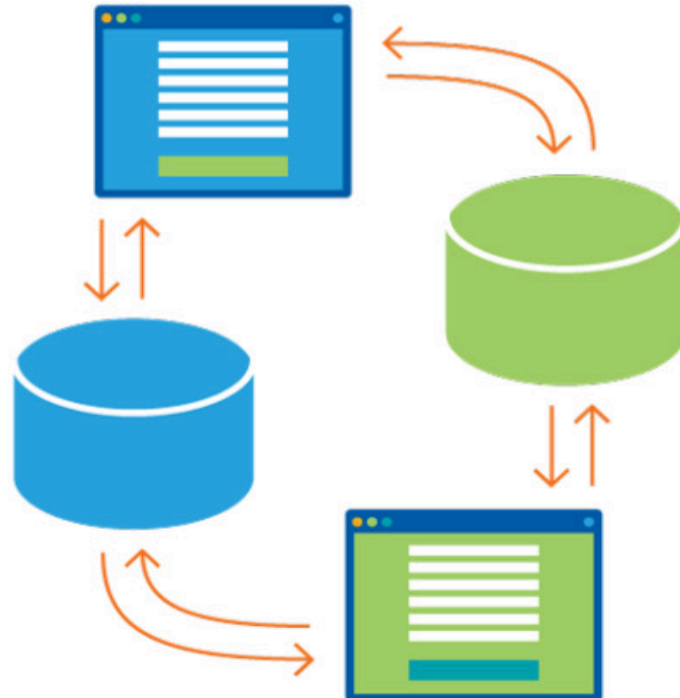
First-Party Data

First-party data is the data that you collect directly from your customers and potential customers



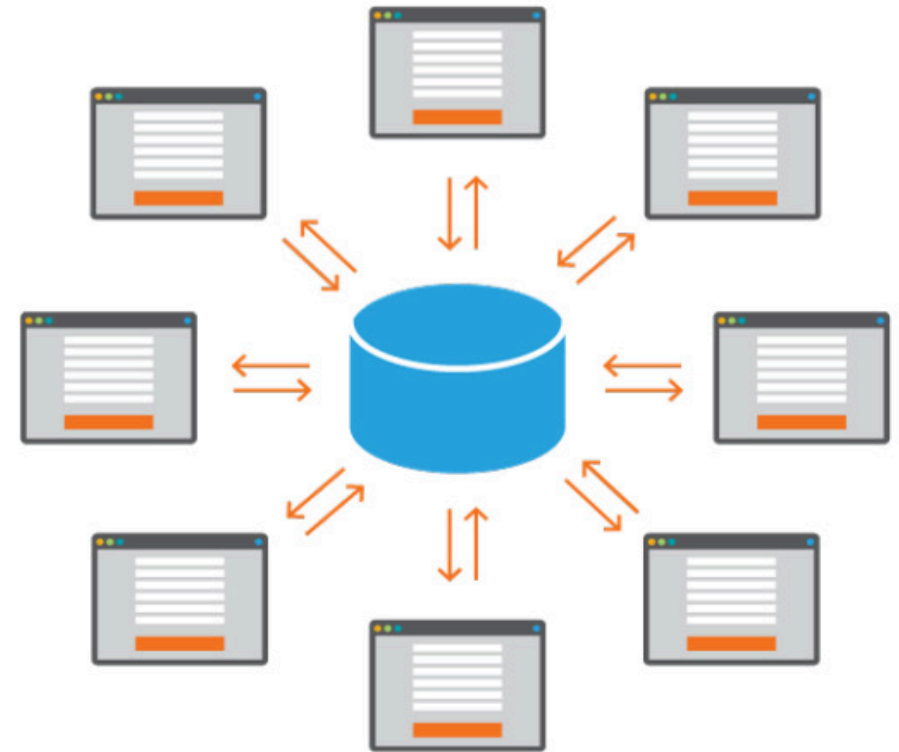
Second-Party Data

Second-party data is the first-party data collected by a “partner” company, made available for your use on some basis



Third-Party Data

Third-party data is data that you typically buy from outside sources that are not the original collectors of the data



A DEEPER DIVE INTO DIFFERENT TYPES OF FIRST-PARTY DATA

Four key types of first-party data that can be collected and examples of how they can be used



DEMOGRAPHIC

The general characteristics of the population. These are usually socio-economic in nature and can include a person's age, gender, race, income, education and employment status.



PSYCHOGRAPHIC

The data regarding consumers' personalities and interests. This includes personality traits, hobbies, lifestyles and values. While this can be harder to obtain, it can dramatically improve the way you engage with your customers.



BEHAVIOURAL

The data around consumers' behaviours across your online and offline touchpoints. This includes transactions, browsing behaviours and interactions with the brand.



GEOGRAPHICAL

The data on consumers' physical locations. This ranges from country-, region- and city-based data to specific GPS coordinates of a consumer at any point in time. It can also be data regarding the consumer's proximity to a retail outlet.

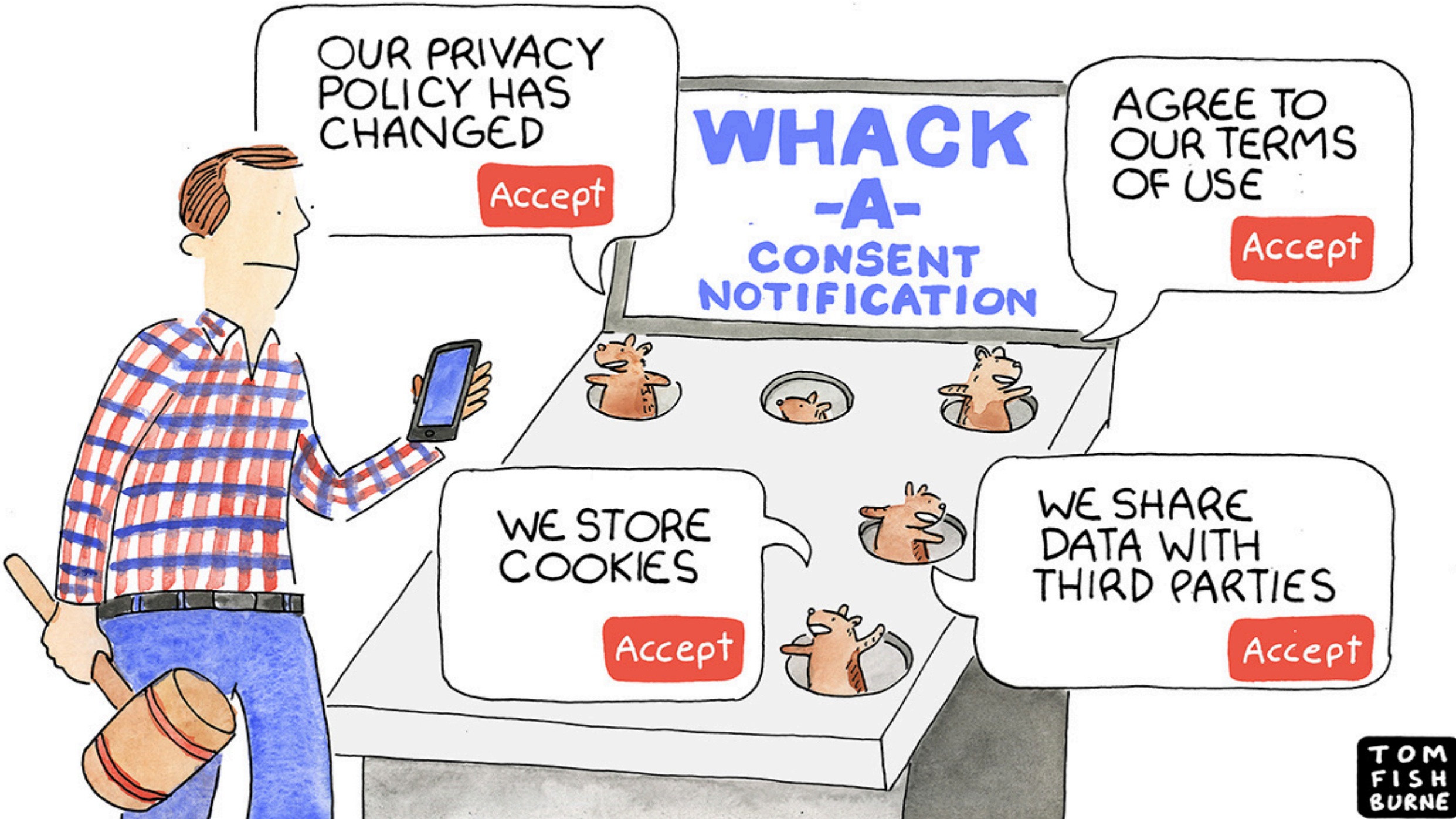
Examples:

Sending offers for your most expensive products only to high-income earners.

Emphasising the eco-friendliness of your product to customers who are concerned about the environment.

Proactively reaching out to users who have browsed your product page multiple times in the last week.

Targeting a prospect who is close to your retail store during off-peak hours with an aggressive offer.



OUR PRIVACY POLICY HAS CHANGED

Accept

**WHACK
-A-
CONSENT
NOTIFICATION**

AGREE TO OUR TERMS OF USE

Accept

WE STORE COOKIES

Accept

WE SHARE DATA WITH THIRD PARTIES

Accept

TOM FISH BURNE

Insights:

1

Get to know
your customers
better

Customer Value:

2

Learn to assign
a meaningful
dynamic
value to those
customers

Outcomes:

3

Understand through
propensity and RFM
(recency frequency
monetary) what you
want Customers to do

Prospecting:

4

Seek more
Customers to
build your universe
through look-a-likes

Customer Value:

5

Increase Sales
through actionable
insights to target
audiences

ROI:

6

be more efficient
and more effective

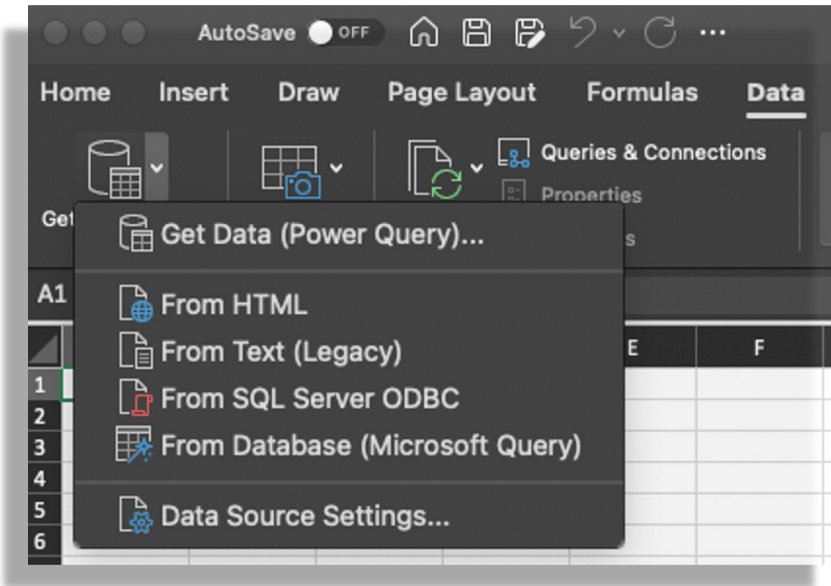
ENTER DATA CLEAN ROOMS

RICHARD KNOTT, INFOSUM
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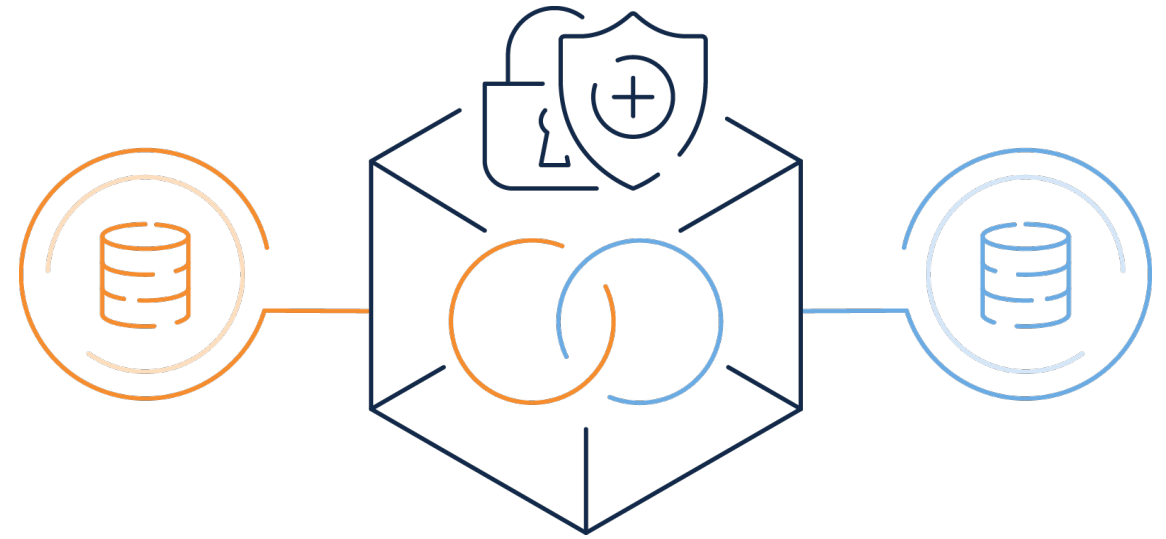
BUT, WHAT IS A DATA
CLEAN ROOM?



... is not a stupid question



VS



“The future is not a privacy safe ID,
it is making ID privacy safe”

InfoSum COO, Lauren Wetzel



“A private, secure and governed environment for two or more parties to bring data together for analysis, matching, planning, activating and measurement”

Data Collaboration

Data Protection & Trust

Businesses cannot risk leakage, exposure, or misuse of their data.



Data Collaboration

To improve business performance, businesses need access to quality data partnerships from multiple sources to power their data-driven strategies.

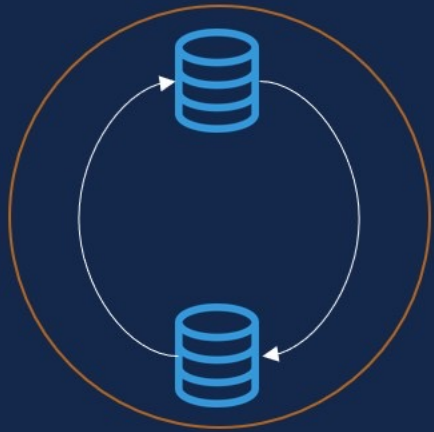
Data Privacy

Consumers deserve more transparent and honest use of their data, which will soon be backed up by legislation

“THREE” MAIN TYPES OF DATA CLEAN ROOMS



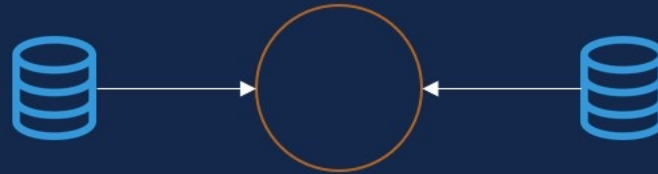
Eco-System / Walled Garden



PII datasets are:

- Shared
- Still PII, even with hashing
- Centralised
- Comingled
- Typically singular partner matching
- Results in seconds/days/weeks

Centralised / First Generation



Decentralised / Second Generation



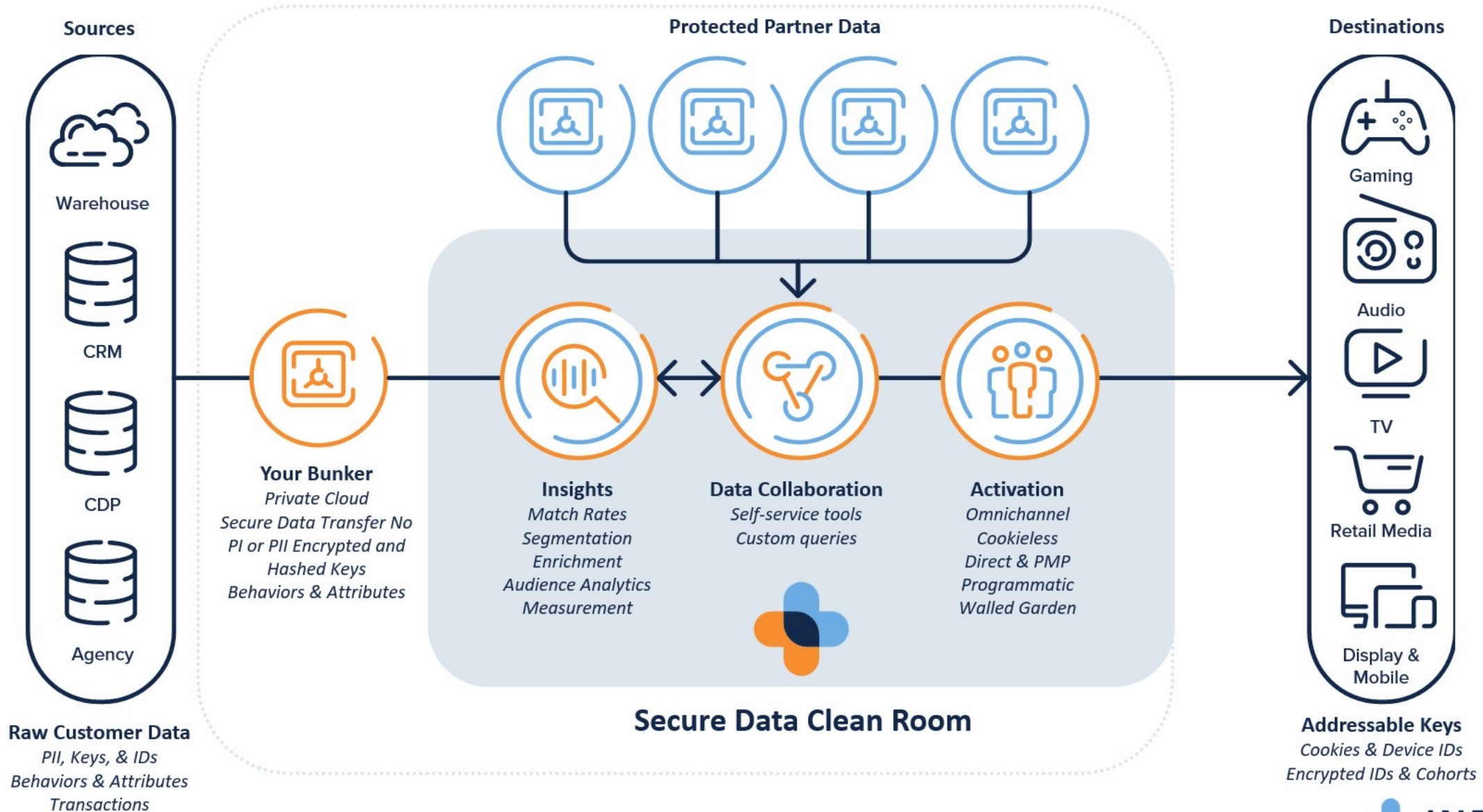
PII datasets are:

- Not moved from your compliant infrastructure
- Become a mathematical representation
- Decentralised
- Queried in a zero-trust framework
- Multi-partner matching
- Results in seconds

BENEFITS OF DATA CLEAN ROOMS






How to collaborate in a secure data clean room



Some Data Clean Room Use-Cases



Insight

-  Single Customer View
-  Customer Overlap
-  Profile Enrichment




Planning & Activation

-  Audience Discovery
-  Audience Expansion
-  Audience Targeting

Onboarding

-  First-party data Onboarding
-  Walled Garden Activation

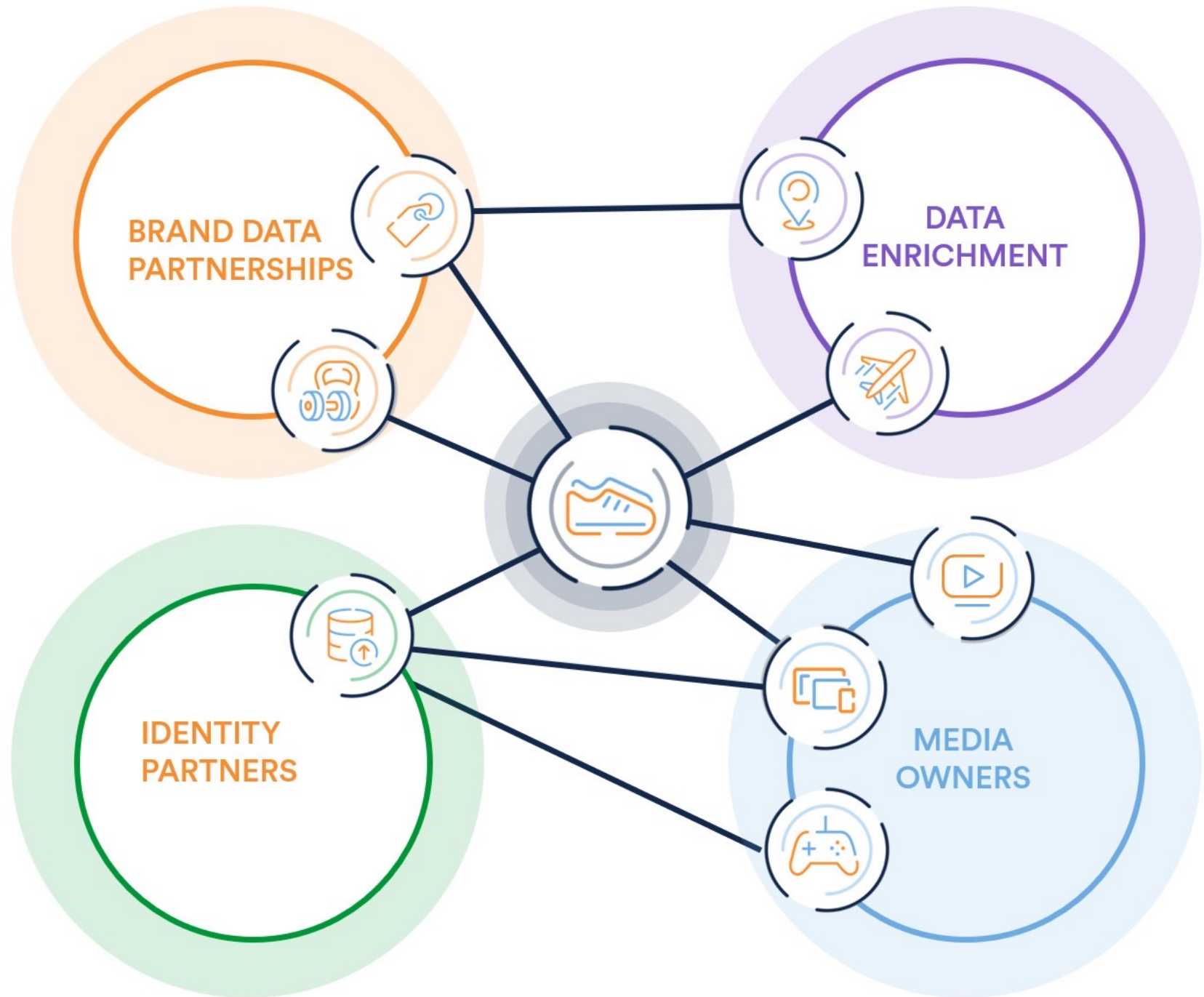
Measurement

-  Incrementality
-  Reach & Frequency
-  Audience Verification

Brand Data Eco-Systems

With zero data sharing you could:

- Understand more about customer behaviour
- Enrich customer insights
- Plan & activate directly with a media owner leveraging 1st party data
- Use multiple identity providers to activate across media owners



WHO ARE THE BIG USERS OF DATA CLEAN ROOMS IN OTHER MARKETS?



Leading verticals



Finance & Banking



eCommerce



Retail



Media



Utilities



Gaming



Electrical OEM



CPG



Travel



Telco

“A few years ago, about 7% of our media was bought using first-party data. Now it is around 30%, although some campaigns are closer to 40%”

Boots CMO, Peter Markey



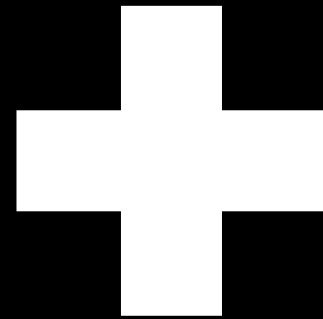


THANK YOU

RICHARD KNOTT, INFOSUM
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collaborative partnerships, best practices & insights



How 1PD ID solutions can
enable deeper & more
compliant CDP
activation.

From DMP to CDP:

AKA "Moving to a sophisticated owned 1st party customer data hub"

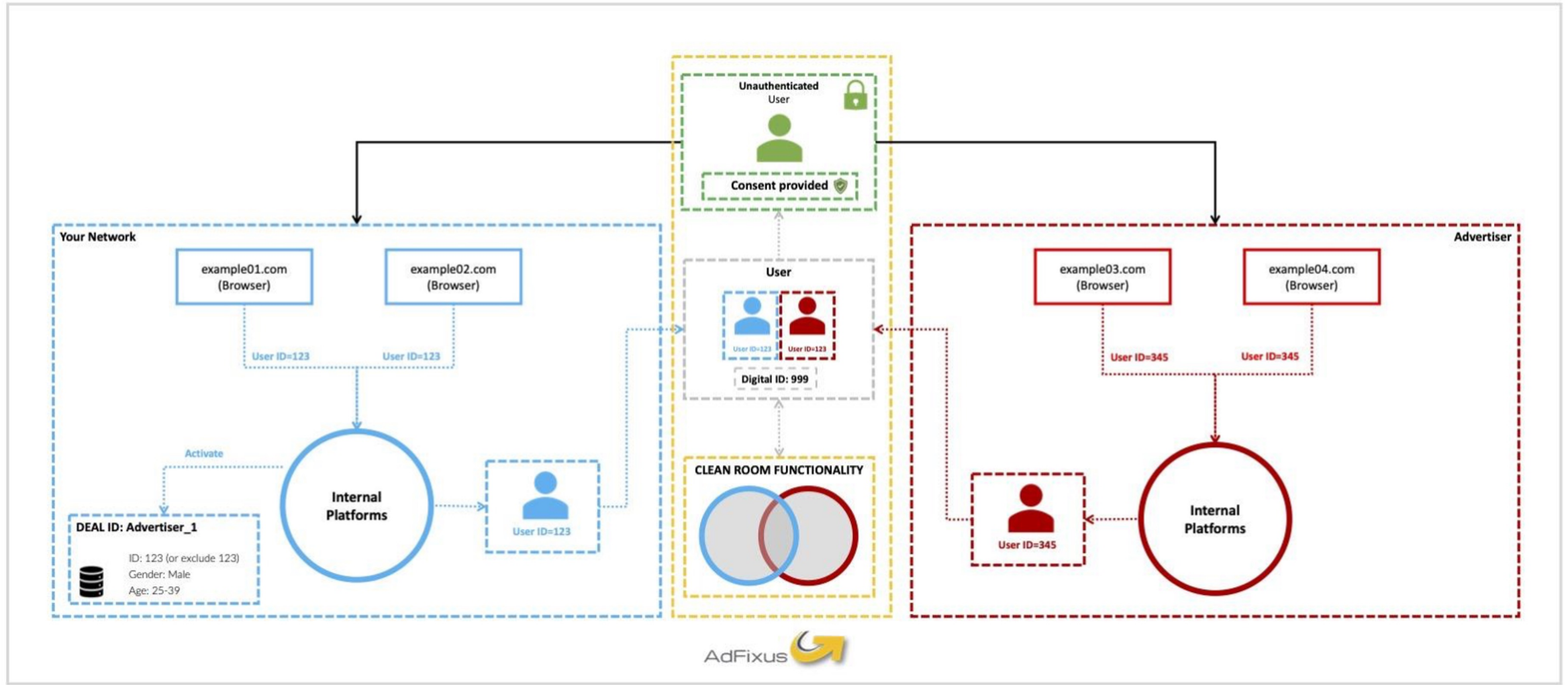
- Increased tightening with privacy (regulation, device/browser limitations and walled garden formation),
 - Necessity for industry to create owned 1st party pools (the data, the tech, and where its stored)
- It's just not storing 1st party data, but it's about how you can flexibly activate and control that data across the ecosystem, in an compliant way.
- It's the Hub between the spokes → the compliant owned 1st party data hub becomes the centre of your audience universe and feeds all other systems that interface with the customer.

Why Identity has become a core part of CDP planning.

- ID resolution != ID management
 - CDPs can conduct ID resolution *from the IDs passed to it.*
 - CDPs themselves are not an ID generation and management solution (some CDPs can management to varying extents, but they are not fit for purpose, truly owned, and privacy preserving as a long term value driver)
- ID management must be resettable, owned, 1st party, compliant and bridging for anon & known customers across devices and your owned networks
 - CDPs will build a fairly cohesive view of your customers and dedupe that down by stitching to this owned 1st party ID
 - This helps the industry move from "we own x identities" to "we have x many addressable identities"

This is the foundation for building customer intelligence to the core of your business and feeding R&D/innovation

BUT - How are we activating *unauthenticated* users?



How does this enable compliant partnerships?

- Building your own trusted data hub allows less dependence on 3rd party networks that want to "take your data"
- Protection using a clean room solution is exactly the environment to conduct these interactions.
- This is the foundation upon which collaborative data partnerships can be built and key to strengthening that understanding of your customer
 - EG -Someone can be an inactive customer today but
 - still provide plenty of value through an enhanced understanding of them to inform modelling and segmentation for other addressable segments.
 - Carsales has embarked on this journey via an iterative process by beginning with "quasi-clean room" environments built to facilitate 1:1 relationships with other brands

What type of partner should you look for?

- The expertise required to solve this at scale and "in the right way" (i.e. don't do the work and get it wrong anyway) is limited in the A/NZ market.
- There is a necessity for forward-thinking organisations to get ahead of the curve w/r/t to compliance
- Compliance is not a bottleneck, but actually a double edge sword where you have unlimited ability to take action without risk of "getting it wrong and getting fined"
- This has been developed in US / Europe and other markets, but yet to come to life here in AU

Looking ahead to the
next round of *privacy reforms & future-
proofing compliance strategies.*



Sarah Waladan
Director of Policy & Reg Affairs
IAB Australia



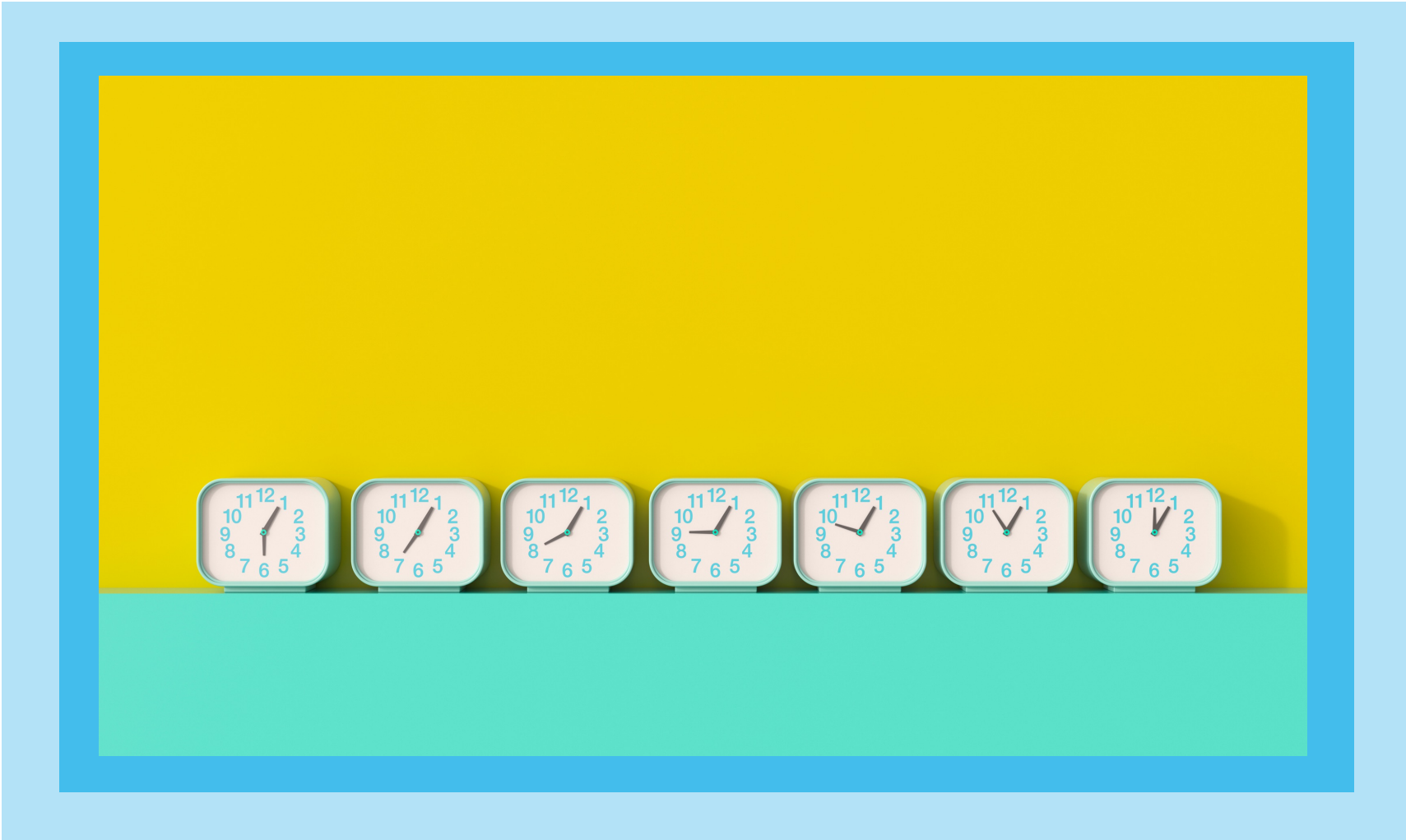
Sophie Dawson
Partner
Bird and Bird

what we will cover today

1. The current state of play
 - Existing laws
 - Enforcement trends
2. What lies ahead
 - Regulatory context
 - What to expect
 - Key issues
3. Planning for change: future proofing compliance strategies
 - Mapping data
 - First party data strategies
 - Future proofing technology and data value



The current state of play



Australian Privacy and Advertising Laws

Key laws:

- 13 Australian Privacy Principles in the Privacy Act 1988 (Cth)
- Commercial electronic messages: Spam Act 2003 (Cth)
- Section 18 of the Australian Consumer Law

Issues:

- Room for argument about the way it applies particularly re cookie practices
- Increasing enforcement particularly in this sector
- ACCC, ACMA and OAIC are active
- Changing industry practice: the bar is lifting

Growing enforcement focus

- Privacy Commissioner proceedings against Facebook over Cambridge Analytica matter: Facebook Inc v Australian Information Commissioner [2022] FCAFC 9
- Clearview case: Commissioner initiated investigation into Clearview AI, Inc. (Privacy) [2021] AICmr 54 (14 October 2021)



Recent enforcement developments

- Over 18 months, over \$2,100,000 paid by businesses in relation to ACMA-issued infringement notices for breaking spam and telemarketing laws.
- nine court-enforceable undertakings.
- Kogan Australia Pty Ltd: court-enforceable undertaking and \$310,800 infringement notice.
- ACMA found Kogan unsubscribe facilities insufficient because had to take extra steps including logging in to a Kogan account to unsubscribe.



What lies ahead



Context for privacy reform

Australia

Recent change of Government

Privacy law reform unlikely to slow down



International developments

California: CCPA (2018), CPRA (2023), Proposed American Data & Privacy Protection Act

EU: GDPR

UK : Bill to reduce compliance burden under GDPR, “lighter touch, more outcomes focused regime”



Likely timeline for reform in Australia

AGD finalising privacy review *(mid-year)*

Government response & recommendations

Exposure draft legislation/further consultation

Online Privacy Code – *rolled in?*

While timing uncertain – *unlikely to be finalised within 12 months*



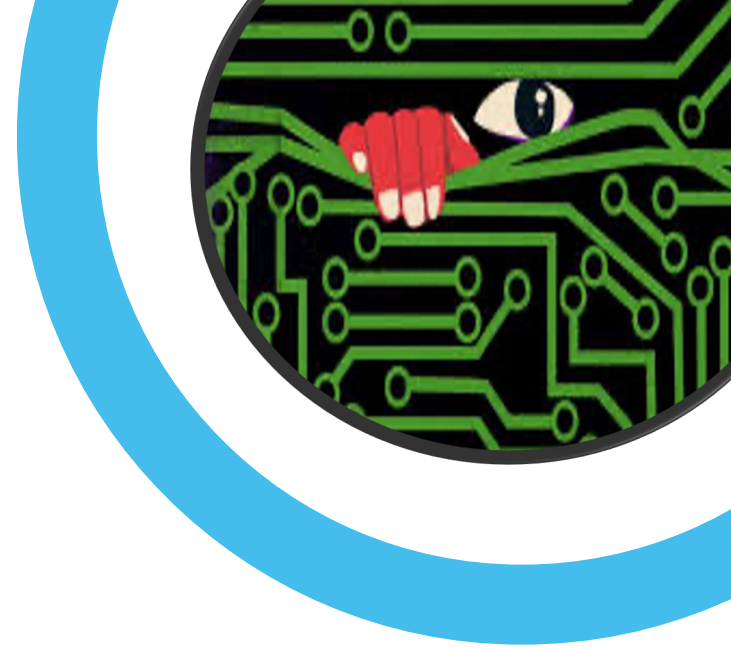
What to expect from the process

- Australian tailored solution, not just 'implementing GDPR'
- Higher standards, potentially more prescriptive obligations
- Shifting responsibility to organisations
- Increased consumer choice and control
- Increased protections for children and vulnerable consumers
- Increased penalties



Some key reforms being considered that would impact industry

- Definition of 'personal information' / scope of data regulated
- Overarching obligation to ensure all uses of PI are "fair & reasonable"
 - regardless of consumer consent
- New requirement on third party collections
- New obligations in relation to privacy defaults, right to object



Industry position

The keystone role that data plays in the lives of all Australians requires lawmakers to set the right regulatory parameters to ensure individuals' privacy is protected on the one hand, but that the smooth functioning of the digital economy isn't impeded, on the other.

This balancing exercise is the *key challenge posed by the current review process.*

Key Takeaways

- Privacy reform is likely, but not in the next 12 months; likely a 12 month – 2 year process
- Unclear what those reforms will be at this stage, but the direction of change is towards greater organisational responsibility
- IAB Australia is working closely with Government to ensure the reforms are practically workable
- Welcome any feedback if you have concerns or would like to discuss sarah@iabaustralia.com.au

Future proofing compliance



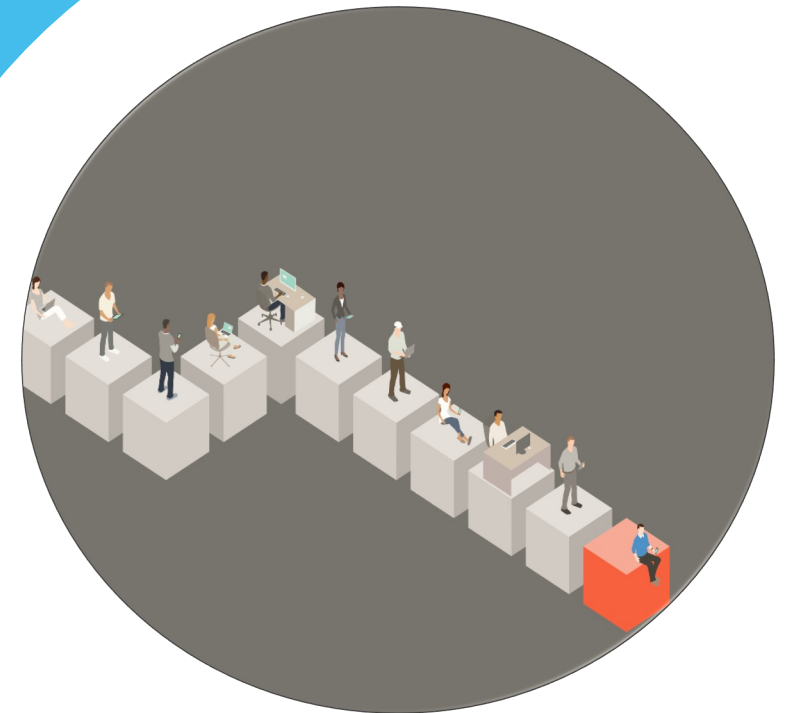
Key Practical Considerations

- Mapping and understanding relevant practices and possibilities
- Participation in reform processes
- Readiness for change
- Regular review(s) of notices, terms and conditions and consents will be critical Systems and processes, and plans to adapt to likely changes




Future Proofing Strategies

- What is your post reform data strategy?
- Will your data sources and practices survive reform?
 - Fair and reasonable?
 - Risky?
- What notices do you have in place?
 - are they clear enough?
- Are they a risk under the current laws? Future?



Consents


- OAIIC consent guidance may be entrenched in law
 - Where consents are obtained, consider:
 - Is there a real choice?
 - Do you refresh consents?
 - Are they bundled? Can you readily unbundle if this is no longer permitted?
 - Are your disclosures specific enough?
 - Evidence of consent
- 

Notices

- Think like a consumer (or the ACCC): is it clear enough?
- Meeting APP 5 requirements in a clear and readily understandable way



Contracts

- Where is data coming from, and where is it going?
 - What notices and consents are required?
 - Who has the obligation to get them ?
 - Are there sufficient security and other obligations in supplier terms?
- 

Conclusions

- Risk position has already changed due to increased enforcement
- About to increase further
- Parallel change in cookie practice and other key areas
- Regular review required

industry panel *discussion*

opportunities and challenges of the responsible usage of 1PD

**consent
management**



**recommendations
for buyers &
sellers**

**consumer
value exchange**

**related
recommendations**

industry panel *discussion*



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Moritz von Sanden

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closing remarks from our
iab australia chair.

Nicole Bence
Network Digital Sales Director
Seven Network

