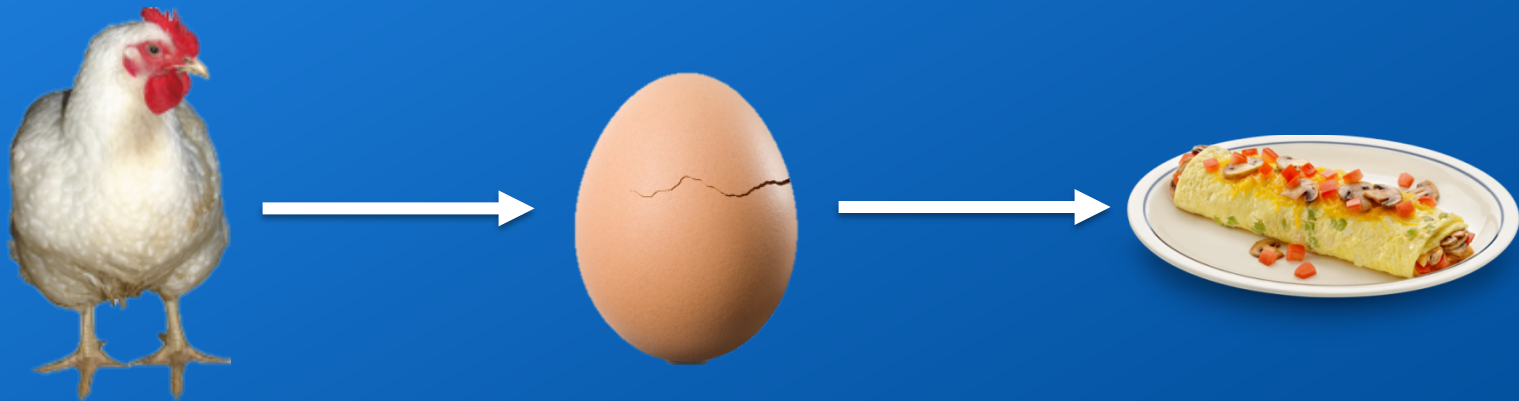


Using Big Data in marketing campaigns while respecting consumer privacy



Alex Krylov:
Digital Privacy and Compliance Lead
alex.krylov@experian.com | @akrylov

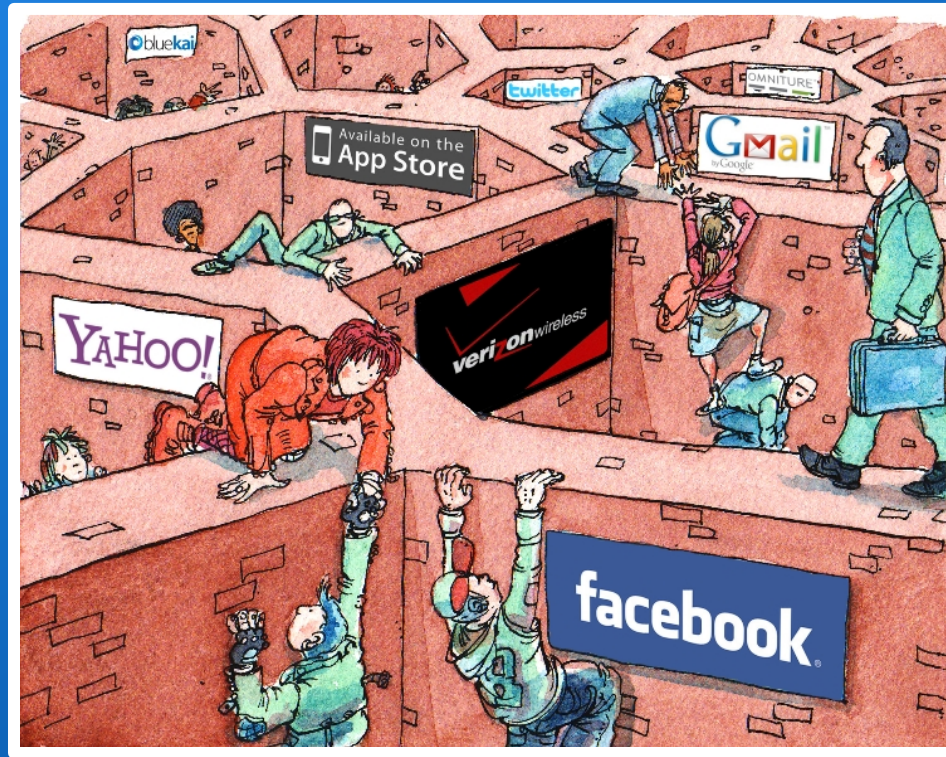


GOALS



- ▶ Understand 'privacy' in the context of Big Data
- ▶ Learn about recent regulatory developments and applicable existing laws
- ▶ Think about how data is collected and permissioned from different sources
- ▶ Apply data linkage and integration best practices

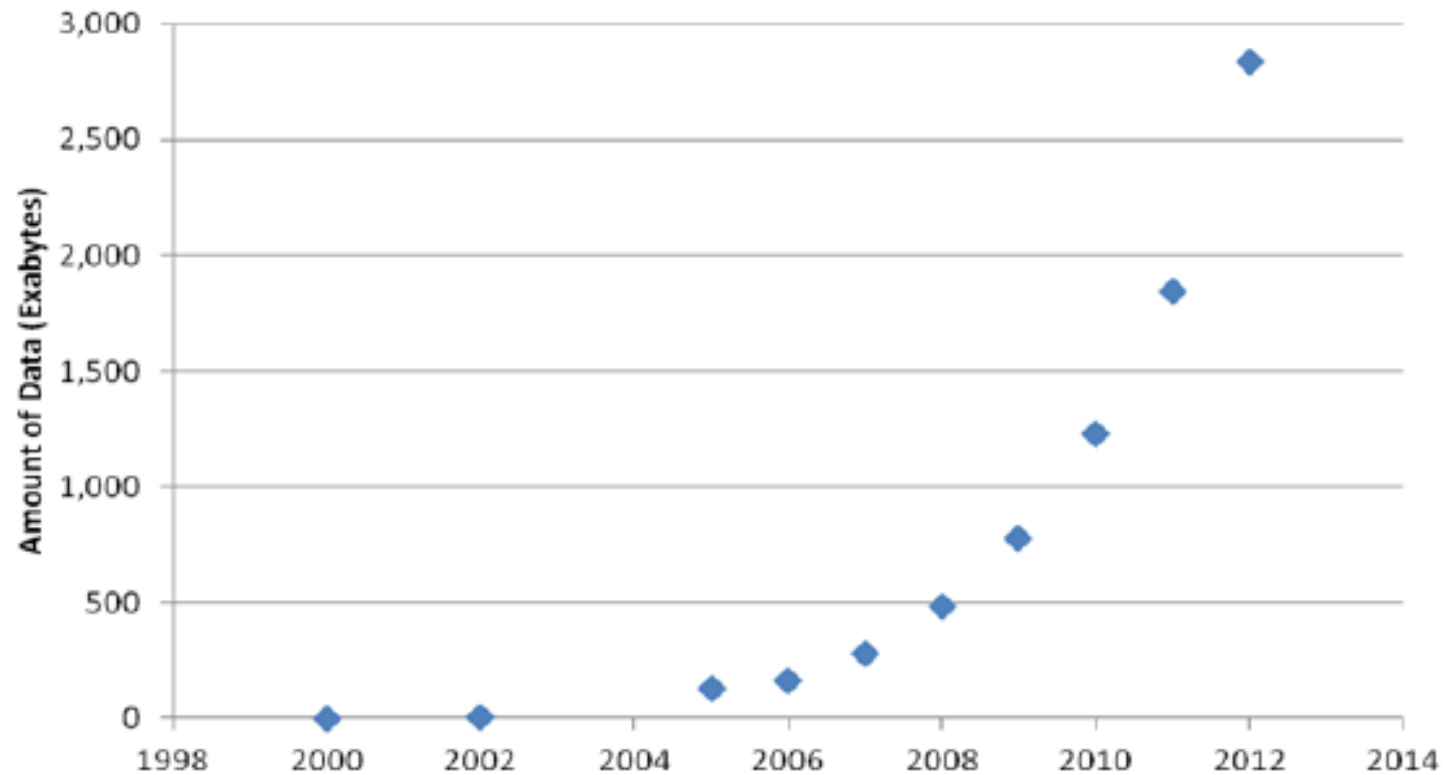
You've mined your data...



Now what?

AMOUNT OF MINABLE DATA GROWING EXPONENTIALLY

Figure 1: Digital Data Created Annually Worldwide

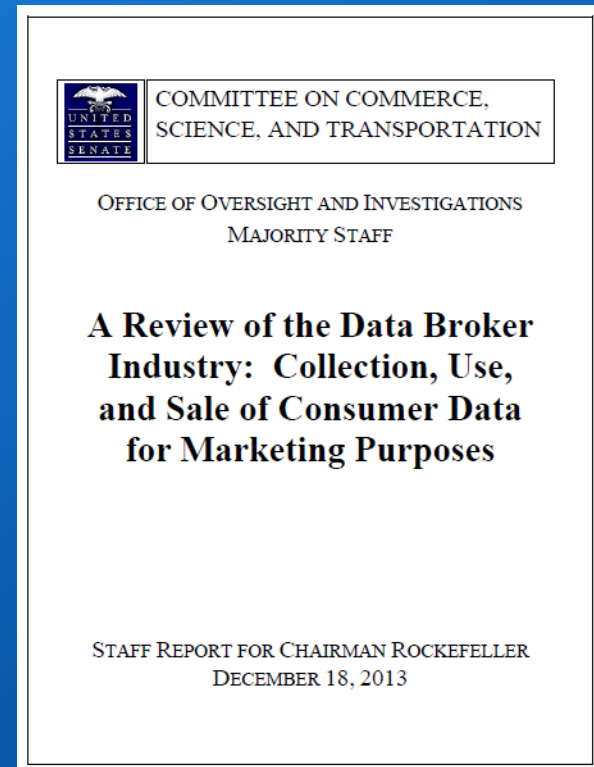
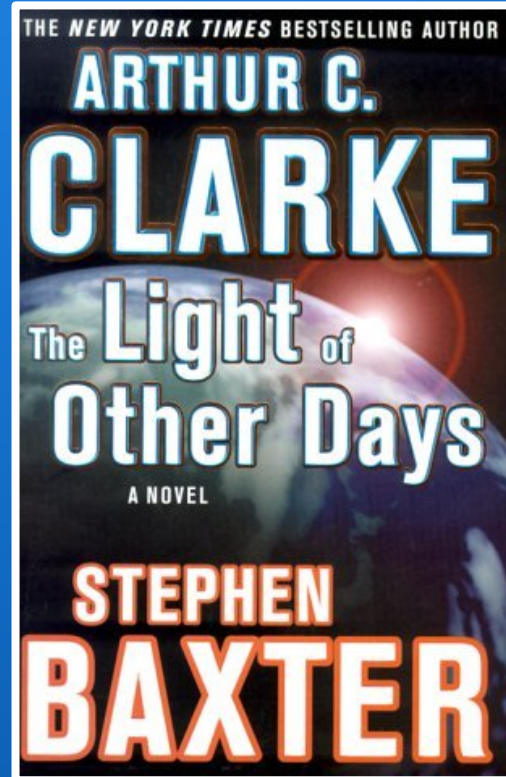
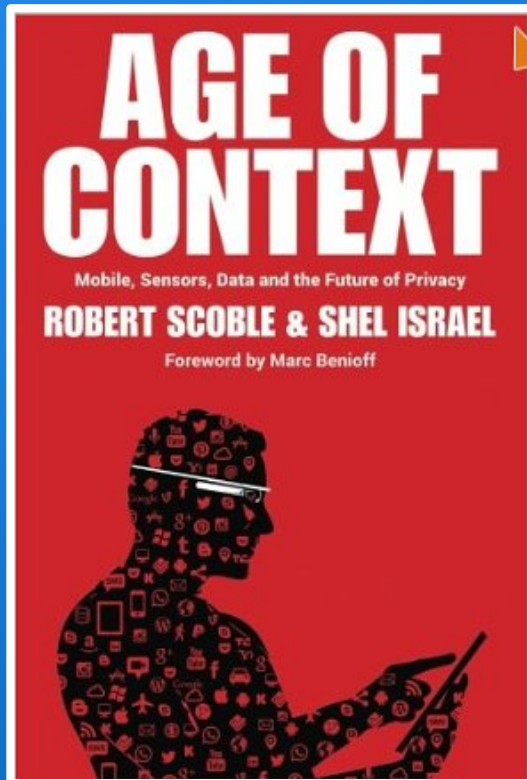


Source: *Digital Universe Reports*. IDC

COMMON MARKETING APPLICATIONS

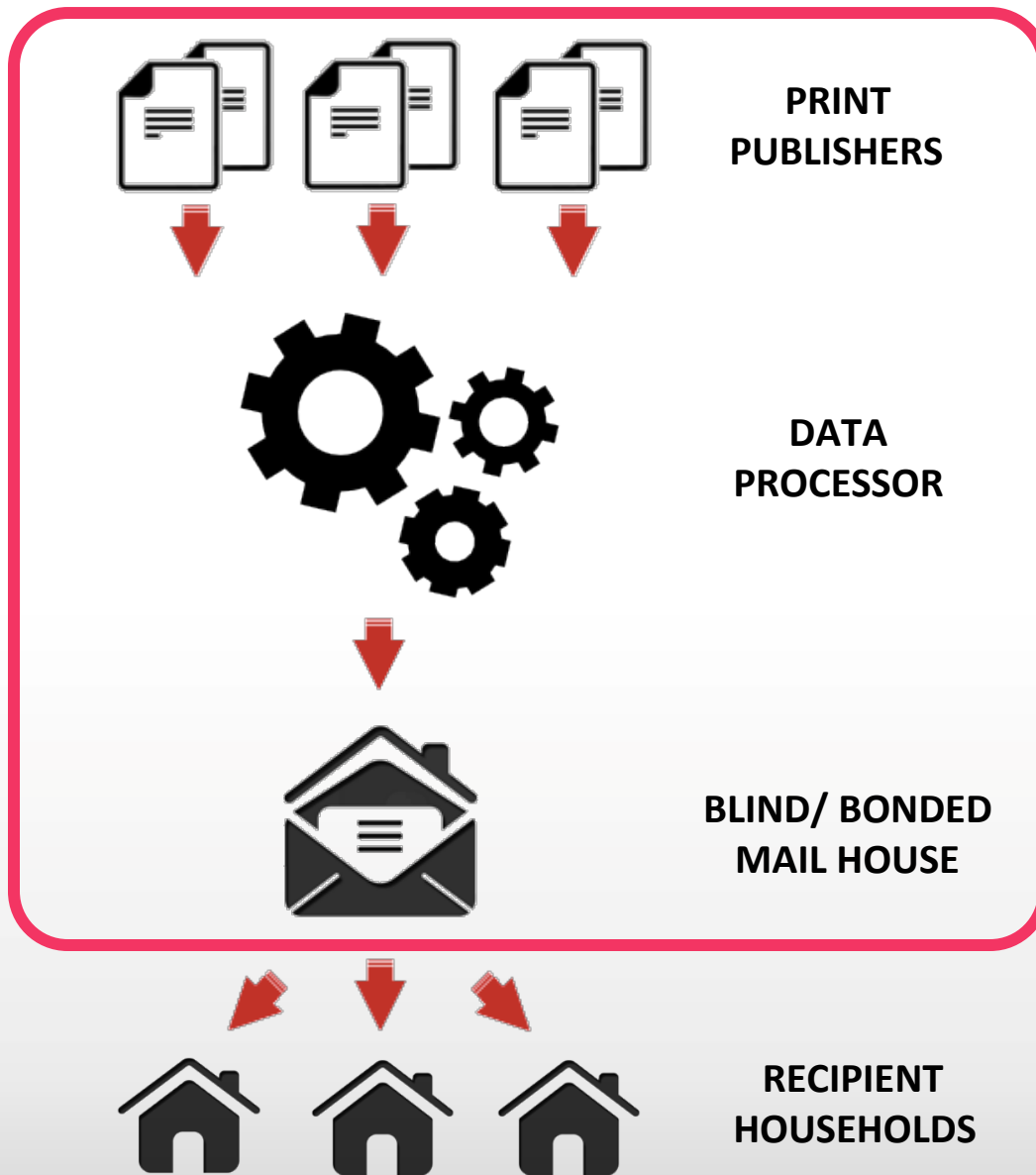
- ☐ I want to segment my CRM by demographic and geographic attributes
- ☐ I want to make an exclusive offer to a specific type of customer
- ☐ I want to match my customer list to an addressable universe for targeting or suppressing matched users
- ☐ I want to identify common audiences across online, offline and other addressable channels like TV
- ☐ I want to tap into a 3rd party addressable supply and take advantage of real time bidding ad marketplaces
- ☐ I want to target ads on social networks based on user-generated content categories
- ☐ I want to identify my customers across databases, channels and screens even if they are not cookied
- ☐ I want to attribute transactions (online/offline) to online/mobile user activity

Emerging tech is cause for excitement...



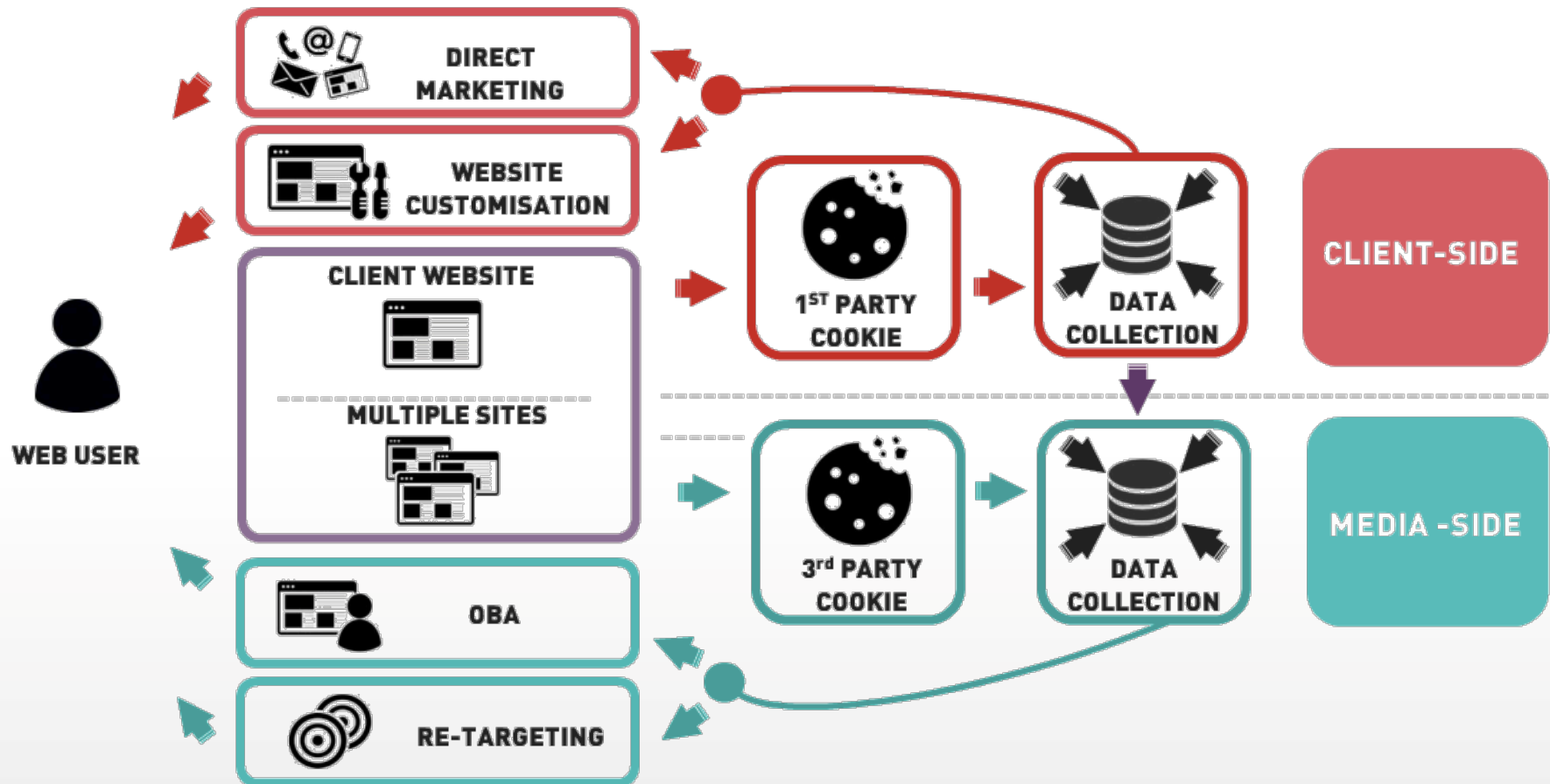
and anxiety over privacy

FAMILIAR OFFLINE MODEL FOR ADVERTISING



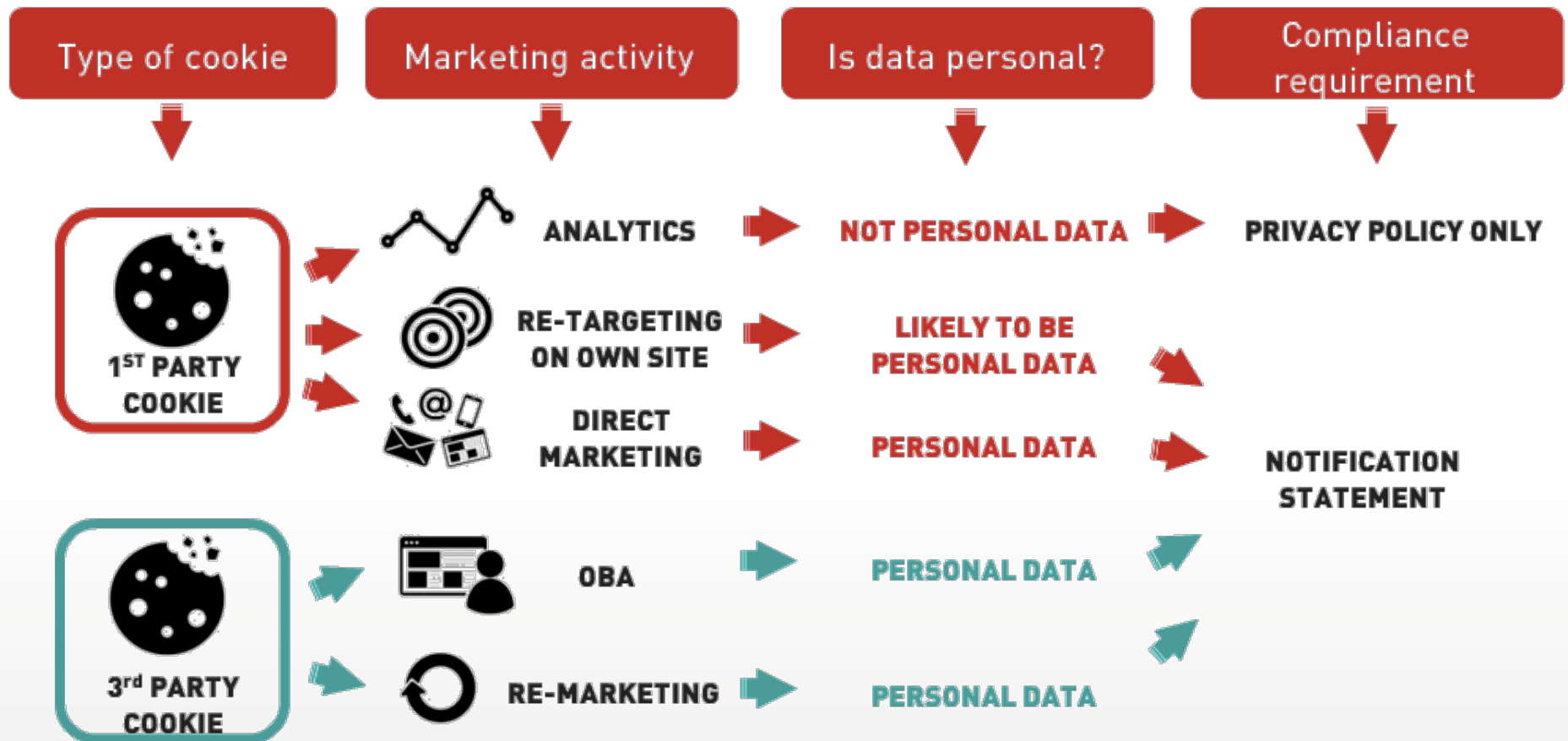
- ▶ **Step 1:** Processor appends demographic attributes for selectable publisher list rentals
- ▶ **Step 2:** Advertisers share data or models with Processor for enhanced targeting selection
- ▶ **Step 3:** Processor conducts a 'merge-purge' of other selected lists and 'nets down' a final selectable group for mailing
- ▶ **Step 4:** Processor provides mailing list to a bonded mail house who blindly deploys household-specific offer.

THINGS QUICKLY GET COMPLICATED WITH DIGITAL



Source: *ADMA Data Pass*

IT'S ACTUALLY NOT ALL ABOUT "PII" – WHAT'S MEANINGFUL?



Source: ADMA Data Pass

‘PRIVACY’ IN THE DIGITAL CONTEXT

What Privacy is NOT

- ▶ It's not data security. Privacy depends on trust in the security of a system but is independent from it.
- ▶ It's not 'anonymity'. Is 'anonymity' even real? Pseudonymous is more accurate in the age of context and insight
- ▶ It's more than a set of controls. Transparency, access, choice, etc are a part but not the whole.

What Privacy IS

“Combination of people having a certain amount of power and agency within an environment; the ability to understand the environment in a meaningful way.”

- Danah Boyd, Research Assistant Professor in
Media, Culture, and Communication at New York University

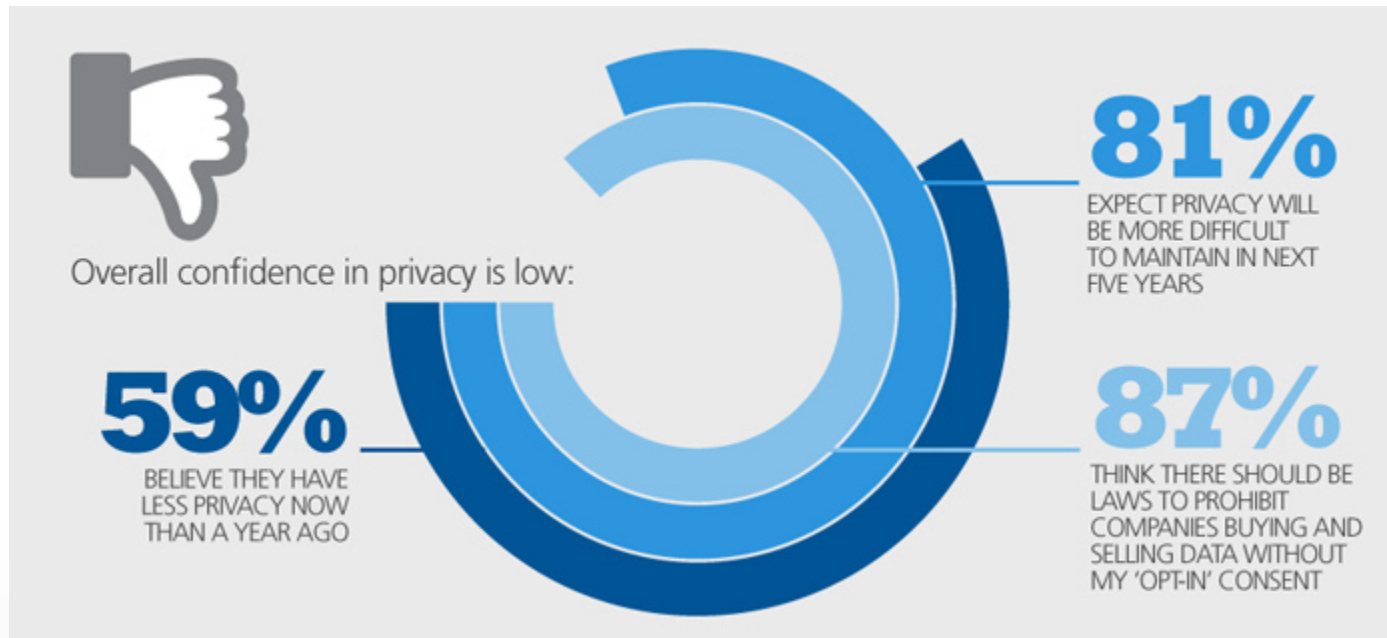
HOW DO CONSUMERS FEEL ABOUT THEIR DATA

The privacy paradox is married to the 'content paradox'.
Nothing in life is free!



Source: EMC Privacy Index. <http://bit.ly/1oaPRvN>

HOW DO CONSUMERS FEEL ABOUT 'PRIVACY'



- ▶ Support for opt-out data sharing at 13%.
- ▶ Confidence in future privacy controls at 19%.

Source: *EMC Privacy Index*. <http://bit.ly/1oaPRvN>

So... just because you can do something...



doesn't mean you should

NOTABLE FTC ACTIONS

- ❑ **SOCIAL: FTC v Jerk.com:** Violations of Terms of Service may result in liability under Section 5 of the FTC (UDAAP authority)
- ❑ **MOBILE: FTC v Amazon.** Failure to obtain the consent of parents or other account holders prior to billing them for in-app charges incurred by children.
- ❑ **TRANSBORDER: FTC v American Apparel.** Falsely claimed to comply with US – EU Safe Harbor framework.
- ❑ **REPRESENTATIONS: FTC v Snapchat.** Privacy policy misrepresented its privacy and security practices, including how the Snapchat mobile app worked.



Plus numerous existing laws covering financial, credit, health, video, drivers', and other data covered in the Appendix. I'm not even going to touch COPPA...

APPROACH TOWARDS SOCIAL MEDIA



As a practical matter, social media is now a regulated industry; and all stakeholders are responsible for compliance with the FTC Guides.

As a result, all marketers, agencies, and brands must develop a 'culture of compliance' where the vocabulary of risk management is a central aspect of an advertising strategy.”

– Tony DiResta, Partner at Winston & Strawn
General Counsel of WOMMA

"If law enforcement becomes necessary, our focus will be advertisers, not endorsers – just as it's always been."

– FTC Factsheet on Update to Endorsement Guides

TRACKING INDIVIDUALS AND THEIR LOCATION

▶ California's Do Not Track Disclosure Law (CA AB 370)



- In effect Jan 1, 2014 with potential letter from CA AG to resolve in 30 days.
- Ongoing vigorous discussions between industry groups about what DNT actually means, and on unified messaging that would not make outliers of businesses.

▶ Minnesota's Location Privacy Protection Act of 2014



- Require that companies get individuals' permission before collecting location data off of their smartphones, tablets, or in-car navigation devices, and before sharing it with others.
 - Ban the development, operation, and sale of GPS stalking apps—and allows law enforcement to seize the proceeds of those sales to fund anti-stalking efforts
-

COOKIELESS TRACKING NOW A ‘THING’



“...the OBA Principles apply to all methods used for third-party collection and use of data for personalized ads across devices and platforms.

We already have, and we will continue to make sure that consumers receive real-time notice, an explanation of the company’s interest-based advertising practices and an easy-to-use opt-out irrespective of the technology used.”

**- Genie Barton, Council of Better Business Bureaus
Vice President and Director of the Accountability
Program**

ADCHOICES AND TRANSPARENCY FOR DEVICE/BROWSER TRACKING



EVIDON™



advertisement



TM

advertisement [X]

Undertone.

Undertone works with online advertising companies to provide advertising that is as relevant and useful as possible based on your browsing activity. Undertone is committed to providing you with transparency and control over the types of advertising you see from us; please access the links below for more information.

- [More information & opt-out options »](#)
- [What is interest based advertising »](#)
- [Undertone Privacy Policy »](#)
- [Privacy Controls by Evidon](#)

Show help Select All ☐

Ad companies:	Manage	Opt-out
<input type="checkbox"/> Akamai Technologies		<input type="checkbox"/>
<input type="checkbox"/> Bizo		<input type="checkbox"/>
<input type="checkbox"/> BlueKai		<input type="checkbox"/>
<input type="checkbox"/> Datalogix		<input type="checkbox"/>


▶ Visit aboutads.info


SOCIAL NETWORK TOS MATTER


- ▶ Make permission statements clear
- ▶ Provide links to your privacy policy discussing social data use
- ▶ Mind restrictions about using data off the platform


Request for Permission


Marvel: Avengers Alliance (View in App Center) is requesting permission to do the following:

**Access my basic information**
Includes name, profile picture, gender, networks, user ID, list of friends, and any other information I've made public.

**Access my profile information**
Birthday

**Send me email**
Marvel: Avengers Alliance may email me directly at [redacted] · [Change](#)

**Post on my behalf**
This app may post on my behalf, including your high scores, uniforms you unlocked and more.




Marvel: Avengers Alliance

By proceeding, you agree to Marvel: Avengers Alliance's [Terms of Service](#) and [Privacy Policy](#) · [Report App](#)

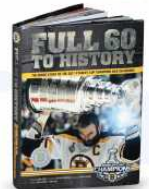
Logged in as [redacted] · [Log Out](#)

[Allow](#) [Leave App](#)

LOVE THE HERALD? LOVE THE BRUINS?



Well like us on Facebook and you'll automatically be entered to win a copy of **FULL 60 TO HISTORY**, the inside story of the 2011 Stanley Cup Champion Boston Bruins. We've got four books up for grabs.

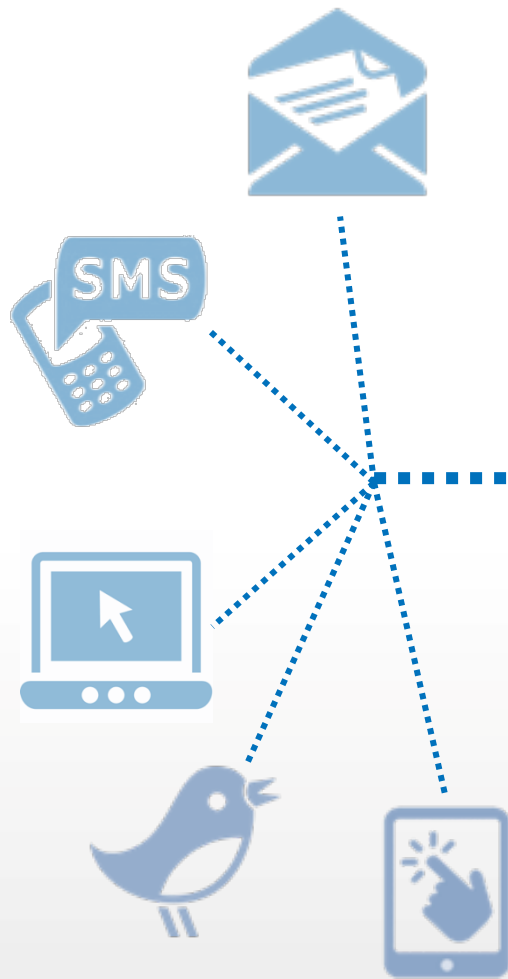



[Like us on Facebook!](#)

BOSTON Herald
bostonherald.com

Giveaway ends January 20, so click here to sign up now!


PRIVACY NOTICES NEED TO EVOLVE



 **Data Uses with Choice »**


Your data is used to provide products or services you requested, improve our services and websites, secure your data, and communicate with you about your requested products, or services. You may opt-out of receiving emails from [us](#).

[Learn More »](#)

 **Data Shared for Fulfillment »**

Your data is shared with or collected by third parties or affiliated companies to fulfill your order or to provide services you requested.

[Learn More »](#)

 **Tracking On This Site »**

The website uses unaffiliated partners to collect data about how you use this site, such as: what pages you viewed, how long you were on a particular page, or whether you filled out a form.



Web, mobile, and app
privacy policies should be easy to read!

Put it all together to help you



integrate insights into your campaigns

DATA INTEGRATION SELF-REGULATION

FROM A DATA PROCESSOR'S PERSPECTIVE

- ❑ Know you, data sources, clients and linkage partners have full rights and appropriate consent to merge PII with non-PII
 - ❑ No sharing of PII with 3rd parties unless the data is specific to a disclosed purpose authorized by relevant parties
 - ❑ Enable easy access to consumer data for consumers to amend or delete data
 - ❑ Offer ways to opt out!
 - ❑ Delete unnecessary data & individuals from your database as expeditiously as possible
 - ❑ No collection of viewing or transactional data without established written or electronic consent
- ✓ Secure transmission
 - ✓ No data co-mingling or reverse engineering
 - ✓ 3rd party data only through blind matching
 - ✓ Data is de-identified and PII is destroyed when processing
 - ✓ Link strawman, non-unique IDs, non-deterministic IDs whenever possible
 - ✓ No monitoring of individualized ad delivery or performance without prior consent
 - ✓ Aggregate PII + IP linkage to ZIP+4
 - ✓ Hash or aggregate behavior plus attributes to protect anonymity
 - ✓ Update privacy policies to cover new tech

PRACTICAL EXAMPLE: BRIDGING EMAIL AND DISPLAY

❑ I want to connect my email recipients to display ads

- ✓ A unique ID appended to an email pixel call can be used to link the user to previously collected online behavioral data for display ads.
- ✗ However, the advertising behavioral data can't be re-assigned to back through the UID to the email address for subsequent email segmentation.



Perform a blind match between email response data and advertising data to produce a performance report. Use a trusted 3rd party.

Report on whether online display advertising re-targeting from email pixel references help with subsequent email user response rates.

Do not re-associate the UID/behavioral data directly with the email address information.

PRACTICAL EXAMPLE: TARGETING TV AUDIENCES

❑ I want to serve interest-based ads to cable customers

- ✗ Do not collect or share identifiable household-level viewing pattern data without subscriber consent (federal and state cable laws).
- ✓ Give online and/or offline notice should be given with respect to general geographic or demographic targeting.
- ✓ Give notice and implied (opt-out) consent with respect to household-level targeting.

Keep in mind

Perform a blind match between viewer data and advertising data to produce a performance report. Use a trusted 3rd party.

Separate PII from unique identifier data if no non-identifiable set top box ID.

Do not monitor house-specific or individual monitoring of ad delivery or performance.



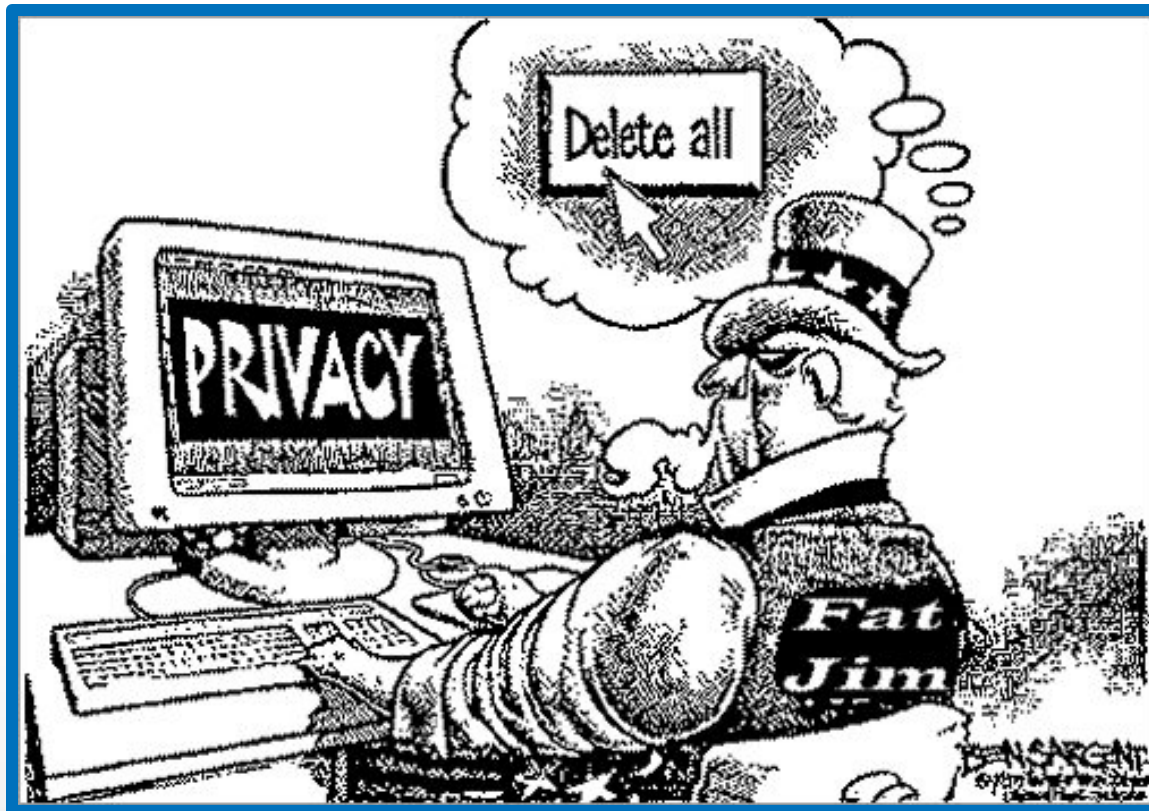
ExperianSM
Marketing Services

THANK YOU

QUESTIONS?



APPENDIX



Applicable laws and best practices

VIDEO PRIVACY PROTECTION ACT (18 U.S.C. 2710) COMPLIANCE

- ▶ Prohibits a video rental or sales outlet from disclosing personal information regarding what video tapes a consumer rents or buys without the informed, written consent of the consumer.
- ▶ Enables personal information from video rentals to be distributed if:
 - Names and addresses only
 - Clear and conspicuous notice and opt-out choice prior to disclosure
 - Subject matter contents (but not specific titles) can be disclosed if exclusively used for marketing goods and services directly to the consumer
- ▶ Creates a private right of action for consumers.



Addressable advertisers cannot use video-on-demand transactional data linked to individual subscribers.

FAIR CREDIT REPORTING ACT (FCRA)

Pre-approved Offers of Credit

- ▶ Fair Credit Reporting Act
- ▶ Access/review of individual's credit history
- ▶ Must offer plan to applicant



Invitation to Apply

- ▶ Direct Marketing Association Guidelines
- ▶ Based upon demographic information
- ▶ Usually directed at a individual, not a household

Deceptive Advertising of Subprime Mortgages and Credit

- ▶ FTC enforcement priority
- ▶ FRB proposed rules on credit card practices



Aiding and abetting is a violation

FAIR CREDIT REPORTING ACT (FCRA) COMPLIANCE



- ▶ No use of in-house or Credit Bureau personal credit data
- ▶ Non-sensitive
Targeting criteria may be used, including business data and geographic credit statistical summaries
- ▶ Targeted financial products and services only. No firm offers of credit.

GRAMM-LEACH-BLILEY ACT (GLB)

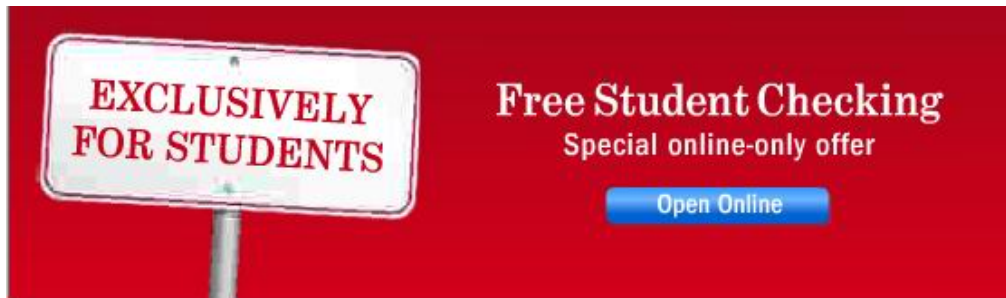
Regulates financial institutions' use and sharing of personal financial information.

GLB requires financial institutions to:

- ▶ Disclose their privacy policies and practices to consumers
- ▶ Disclose when non-public personal financial information will be shared with non-affiliated 3rd parties
- ▶ Offer consumers a chance to opt-out before information is shared



GLB COMPLIANCE



- ▶ Data may be shared with partners in order to 'perform services or functions' with product marketing.
- ▶ Client information may not be combined with other information and used unless disclosed with prior consumer choice
- ▶ DMPs/DSPs may use their own targeting criteria, yet may not combine it with client personal information data unless disclosed with prior consumer choice.
- ▶ Affiliated business may cross promote products.
Eg; Checking offers to mortgage customers.

HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)

- ▶ Applies to individually-identifiable health information
- ▶ Covered entities are required to obtain individual's consent before using or disclosing PHI for any non-care-related purposes
- ▶ PHI processors are business associates required to inform the covered entity if there is any unauthorized use or disclosure of the PHI
- ▶ Email Service Providers and data linkage providers may touch PHI and will be required to sign BA Agreements



HIPAA COMPLIANCE

- ▶ Except that ads can't be 'personal' with third party marketing without express customer authorization
- ▶ Client may not use personal health information, but may use geo-demographic statistical data.
Eg; Pollen count in Baltimore in April results in 10X increased purchases of allergy medicine.
- ▶ May use volunteered and other data for targeting and modeling.



DRIVERS PRIVACY PROTECTION ACT (DPPA)

Restricts use and disclosure of personal information sourced from U.S. DMVs

Covers

- ▶ Motor vehicle registration
- ▶ Title information
- ▶ Drivers license
- ▶ State identification card

Permissible purposes include

- ▶ In connection with matters of motor vehicle or driver safety, including recalls
 - ▶ Non personal research activities
 - ▶ Shelby Amendment: Since '00, requires that states obtain express consent before releasing any personal information
-

DPPA COMPLIANCE



Loyalty Has Its Rewards

Current owners of 1999 or newer model year GM vehicles can get up to
\$2,000 Owner Loyalty Cash¹ toward the purchase or up to
\$1,000 Owner Loyalty Cash¹ toward the lease of select 2008 GM vehicles.

OR: qualified buyers get **2.9% APR** for 72 months² on select 2008 vehicles through May 21, 2008. Residency restrictions apply.

GM OWNER LOYALTY

SEE YOUR DEALER FOR DETAILS ->

- ▶ Motor vehicle owner data is separate from DPPA
- ▶ Can't use owner data to determine credit worthiness. Must use a credit bureau.
- ▶ Can use credit bureau and DMV data for modeling of geo-demographic offers.