

Whose data is it anyway?

How UK marketers navigate data management as consumer privacy concerns grow.



Foreword

Today, people are aware more than ever of how valuable their data is, and have woken up to the realisation that it is being used on an industrial scale. Concerns began with the Cambridge Analytica scandal back in early 2018, and developed with regulations such as the GDPR, and more recently the California Consumer Privacy Act.

In light of national headlines and the rise in data-centric TV shows, we've reached a point where consumers are acutely aware that their personal data is being used by companies for gain. Yet, there are increasing concerns that this information can also be compromised. As an industry, we have awoken to the notion that if data is not handled in the right way, companies will be punished and issued weighty fines. Recent threats include the ICO who bared its teeth in 2019, posting a damning report on the adtech industry, and ongoing browsers initiatives set to demolish digital advertising practices as we know them.

Consumers now expect better from the tech companies that have mistreated their personal information in the past, and a lot needs to be done to rebuild this trust. And the expectations don't stop there - consumers now expect so much more from brands. The 'value exchange' is now key for marketers and content owners moving forward. Thankfully, many businesses do genuinely care about their customers, and in part, want to make sure they are interacting with them in the most relevant and respectful way.

Despite the wheels being set in motion, it would not be outlandish to say that brands might struggle to fully achieve this due to ongoing shortages of data skills across the marketing industry as a whole. This paper explores the challenges brands need to overcome in order to manage data more effectively and build consumer trust, at a time when consumers are hugely concerned about privacy.

Key findings

- Almost half of UK CMOs (45%) estimate poor data handling risks costing their business between £250,000 and £5m every year
- Only 27% of CMOs say the industry is 'ahead of the game' with having the skills needed to deal with customer data privacy
- Almost three in four (74%) people are more concerned about the privacy of their personal information compared to this time two years ago
- Over half (55%) of CMOs believe they are tapping into just 40% or less of their first party data's potential

At Silverbullet, we believe that having a talented team of data experts in place, whilst implementing a sound strategy is vital for any brand. I am positive that this year we will see a shift in how effectively data is managed in-house, and brand marketers will lay the foundations needed to create strong data cultures within their organisations. Enjoy reading the paper and I'd love to hear your experiences of how you are improving data management in your business.

Ian James, Co-founder and CEO, Silverbullet

Silverbullet

Methodology

To create this paper, Silverbullet commissioned independent market research company Censuswide to interview 100 UK chief marketing officers at businesses with a turnover of £1m up to £10m and 2,000 nationally representative UK adults.

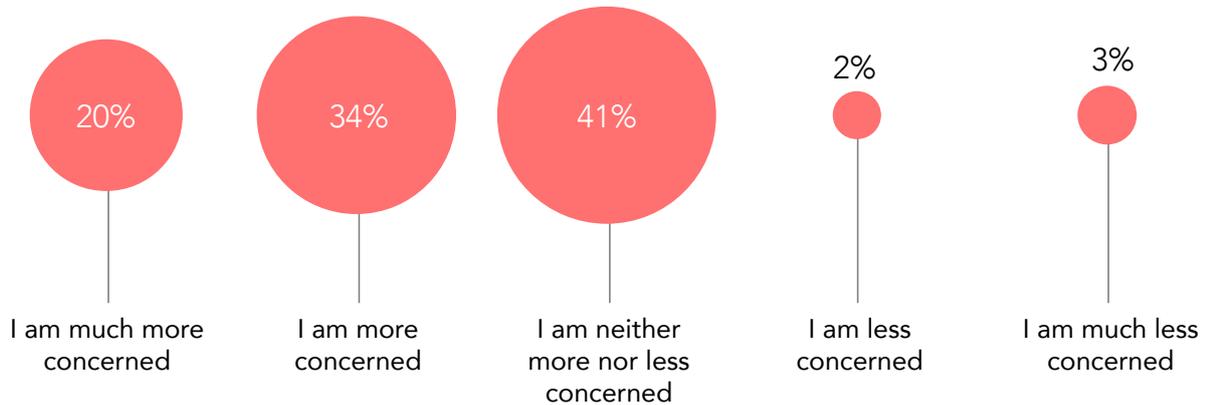
Unless otherwise stated, all statistics referenced relate to these surveys.

Each CMO was asked to complete an in-depth questionnaire about their view on the marketing industry, as well as their own organisations. All consumers were asked to share their opinions on personal data and privacy.

Consumers understand how data is used

People are becoming increasingly aware of how their data is being used and handled by organisations. Over half of consumers today (54%) are more concerned about the privacy of their personal information than they were in 2017.

Compared to this time two years ago, how much more or less concerned are you about the privacy of your data?



Popular culture and news headlines have influenced how aware consumers are of their data, its value and how it is being used. This means people understand the value exchange – consumers now know they can demand more from brands because the data they share provides invaluable insights.

There are three key things consumers want in exchange for sharing their information with brands:



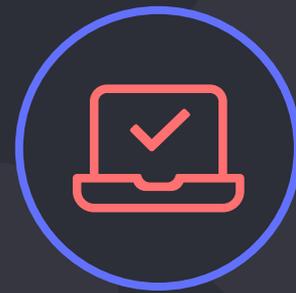
24%

Have control over how it is used



27%

Don't see ads that know personal info about them

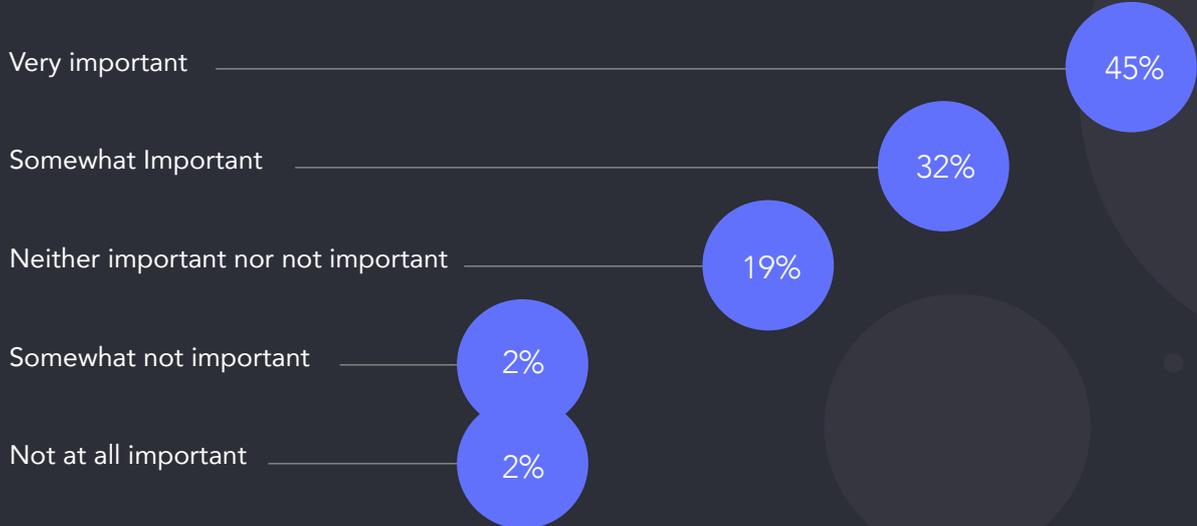


27%

receive relevant offers when online

However, people will only give brands insights if they are familiar with the business.

How important is it that you know and trust the brand or service that is asking to use your information?

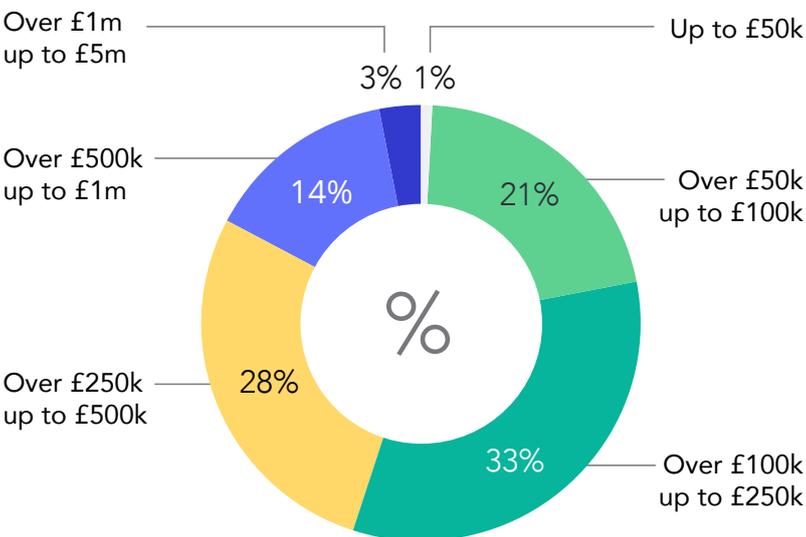


A need for more expertise

For two years now, our research has shown that although brand marketers believe they are building on the data skills they have in-house, ineffective management of data still impacts the bottom line.

Findings highlight that almost half of UK CMOs (45%) estimate poor data handling is costing their business between £250,000 and £5m every year. On average the cost to businesses is £370,000 annually.

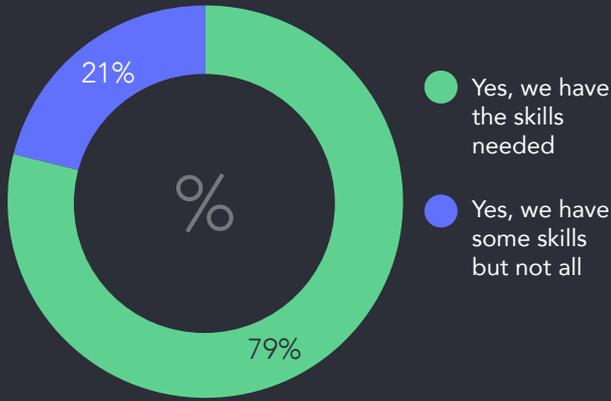
If you were to value the cost of poor data handling or data management processes to your business each year, how much would you say this could be?



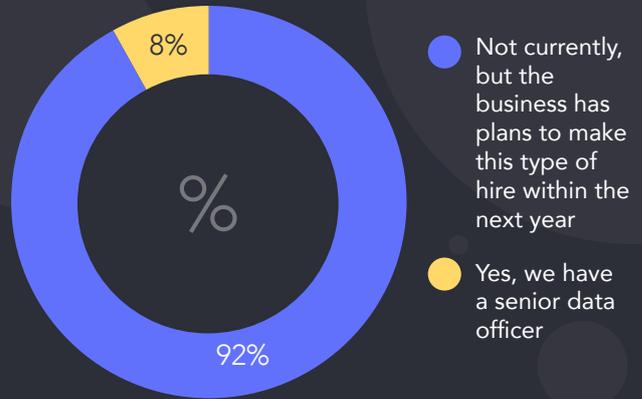
Almost half of UK CMOs (45%) estimate poor data handling is costing their business between £250,000 and £5m every year.

This level of cost is huge for many companies, and is a surprising figure considering the majority of respondents explain they already have the expertise to handle data efficiently in-house.

When looking at the skills you have in-house, do you have the talent required to manage data effectively?



Does your business currently employ a senior data officer? (This could also be chief data officer, data protection officer, head of data compliancy)



Even though many UK CMOs believe they have the talent within their organisation to manage data, findings suggest there is still some doubt about the skills that can be found across the industry as a whole. .

Less than a third believe the marketing industry is 'ahead of the game' when it comes to handling:



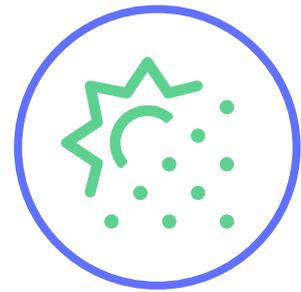
27%

The privacy of customer data



20%

Customer data to create an enjoyable user experience



22%

Technologies such as DMPs and CDPs



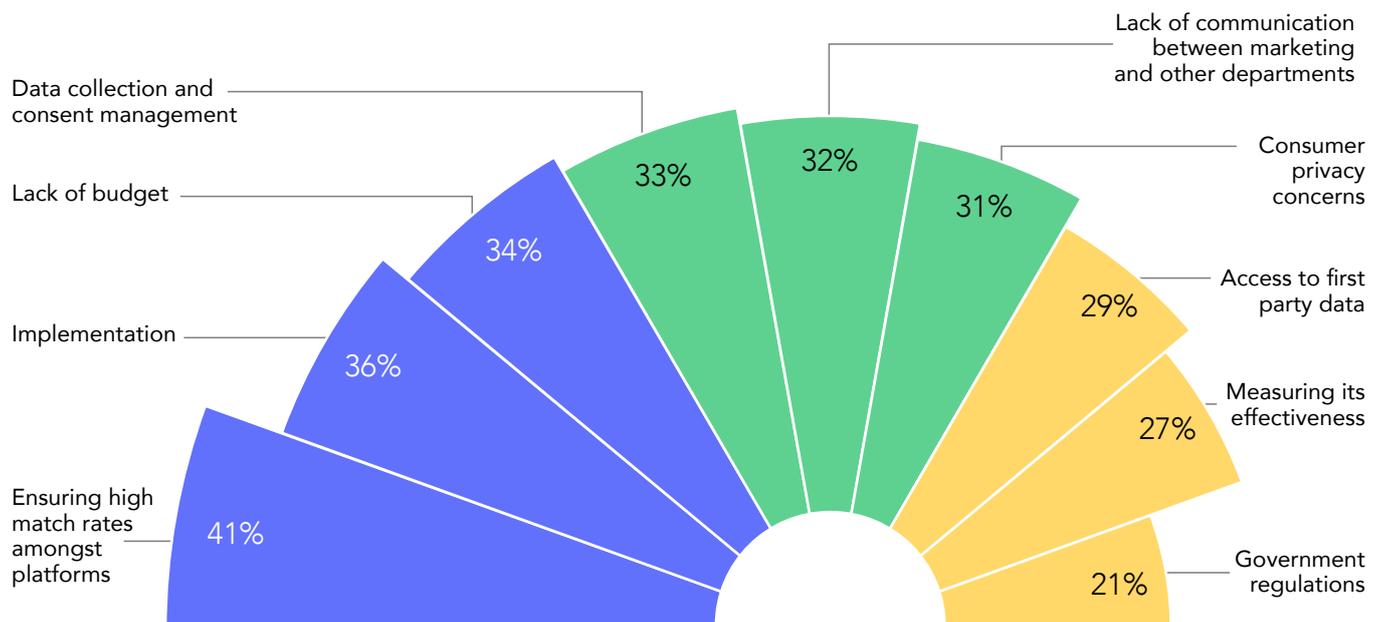
The data challenges marketers face

Gaining genuinely useful insights from first-party data and the application of machine learning and algorithms within a data management platform can be complicated to say the least. This only becomes more difficult when the skillset needed cannot be found in the organisation.

Over half (55%) of CMOs in the UK believe that they are tapping into 40% or less of the potential of their first party data, this suggests that there's a huge amount of rich data out there not being utilised.

On top of this, marketers find it difficult to extract insights from data and management tools – this is because of a lack of budget, consumer privacy concerns, government regulations and more.

What are the top challenges when it comes to first-party data and using data tools such as DMPs or CDPs to gain valuable insights?



Preparing for a world without the third-party cookie

While marketers adjust to heightened consumer awareness of data privacy, the regulations that have come into effect has seen the beginning of the third-party cookie crumbling.

Both Safari and Firefox chipped away at the third-party cookie's capabilities in 2019, and Google Chrome is expected to do the same in the year to come. Even though it won't kill the cookie completely, it will likely have some influence on the digital ad economy. In fact, we've already seen a huge drop in use of third-party cookies, and the shift is set to continue.

This is obviously a huge challenge for brand marketers to face in 2020, on top of the obstacles we addressed earlier on. The crumbling third-party cookie calls for CMOs to look at alternative data sources and strategies, so that the consumer experience will not be jeopardised.

96% of CMOs in the UK believe they are ready to target without third party cookies and are taking action to ensure they are prepared.

What are you doing to prepare for a world without the third party cookie?



65%

have partnered with third parties to understand how we can make more effective use of cookieless solutions i.e.: contextual targeting



63%

are working with a management consultancy to maximise first party data strategies



50%

are working with a systems integration partner to deploy PII-based or consent-based solutions such as customer data platforms (CDP)



Conclusion

Throughout the past year, there has been a lot of noise out there about how the ad industry is not up to scratch when it comes to data being handled compliantly. Yet, our research suggests that moves are being made to change this, with talent being brought in-house and new dedicated data roles being introduced to businesses.

However, it's clear more needs to be done to address consumer privacy concerns and the challenges marketers face regarding data platforms and first-party data. The industry needs to consider that there are inevitable changes on the horizon - Chrome's SameSite cookie update and the ICO's next steps on adtech and data protection will likely play a major part in this. There are three things brand marketers can do to help overcome these obstacles.

Specialised partnerships:

Businesses should continue acquiring the right data experts in-house, but should seriously consider working with specialised partners that can help support this transition and educate the wider business. In-housing can help fix some resource areas, but it's worth investing in external support.

Transparency and trust:

Work closely with specialised partners to navigate through the data you have access to, and analyse the tech you already have in place. Joining the dots between your data and technology will not only create a frictionless flow of data throughout your organisation but will help ensure all data processing and handling is done with transparency and among vendors with whom you trust.

Culture and Forward-thinking:

A data-first culture enables businesses to combine different departments across the organisation to create a 'data mentality'. A data mentality refers to a workplace environment that employs a consistent approach to decision-making through emphatic and analytical data insight. In other words, ensuring that all decisions are made based on data evidence, not gut instinct alone. With the onset of contextual intelligence making a comeback, the refocus on data, content and programmatic is reshaping the future of marketing.

It's time to make a change.

Ian James is Co-founder and CEO of Silverbullet

About Silverbullet

Silverbullet | Unlocking a smarter business future

Silverbullet is the new breed of data-smart marketing services, designed to empower businesses to achieve through a unique hybrid of data services, insight-informed content and programmatic. Our blend of artificial intelligence and human experience provides the knowledge to power your marketing transformation for the future.

We live and breathe data. We are Silverbullet.

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