

A NEW SLICE OF PII,



WITH A SIDE OF DIGITAL TRUST

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DATA IS CURRENCY. IT IS THE BEDROCK OF A DIGITAL SOCIETY.

Imagine running your business without access to customer data. From demographics to personal preferences, customer data allows your company to personalize and tailor the customer experience.

Continued access to that data is no longer a given. As consumers and governments around the world move to place personally identifiable information (PII) firmly back in customers' hands, only companies that show proper stewardship of that data will retain access to it and new, valuable types of personal data categories.

In the end, it's all about digital trust. Earn it and you have the opportunity to prosper. Lose it and you've closed the floodgates to the most valuable currency your business deals in.

It is not surprising, then, that data is growing in volume and type; it's estimated that by 2020 each consumer will have a formidable digital shadow—about 2.5GB of personal data. And Personal Data is growing to include biometric, visual, genomic and device data that allows more precision as to who an individual consumer is and what he or she might want.



As data grows, data protection and data privacy become a priority for consumers and governments around the globe. Consumers are being empowered to own their personal data, choosing which organizations will have access to it, and which will not.

With consumers firmly in the driver's seat, organizations that want to continue to operate successfully will have to show the public they are worthy caretakers of that data. Leading organizations will engender digital trust—meaning consumers trust them to keep Personal Data and data about their behavior safe. In return, consumers expect value of some sort, from a streamlined customer experience to personalized discounts.

Companies that can view this new era of data privacy and protection as an opportunity to deepen digital trust, rather than as a burden, will position themselves for a larger share of value and continued loyalty from their customers.

THE DATA FLOODGATES ARE ABOUT TO CLOSE

The European General Data Protection Regulation (GDPR) takes effect May 25, 2018. It is the largest shakeup in data privacy in decades. GDPR strengthens and unifies data protection for all European Union (EU) citizens, allowing them control over who may use their personal data and for what purposes. It will impact all companies doing business with European consumers, even those not headquartered in Europe.

As of May 2018, all companies doing business in the EU must carefully scrutinize all of their activities, data-wise. Individuals will now own their own data, choosing to allow some companies to use it and denying others access. In addition, they can be much more specific as to which pieces of their Personal Data are used and for what specific purposes.

If companies do not report the scale and impact of data breach within 72 hours, the GDPR can prevent company from processing personal data—effectively shutting down business. Regulators can impose fines of up to four percent of group global revenue or EUR20m (whichever is bigger).

BURDEN TO OPPORTUNITY

The World Economic Forum predicts that the global data market will generate more than half a trillion dollars by 2024¹. **Opportunity abounds.**

But, at the same time, Accenture research shows that over a 12-month period, roughly one in three targeted cybersecurity attacks results in a breach.² It is no wonder consumers are ready to take control of their data, exercising their “right to be forgotten”³.

Companies will need to carefully manage the opportunity presented by regulations like the GDPR to ensure consumer trust and access to the data gold that drives business decisions and customer experience.



FROM BURDEN...TO OPPORTUNITY



Stricter consent and transparency

More trust to maximize opt-in rates

Detailed records on data processing

More efficient data operations

Privacy by default and data minimization

Reduction of cost and data noise

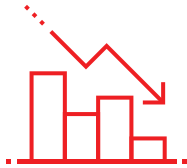
Stricter governance and accountability

Smarter investments into data

Accountability for third party sharing

More value from data sharing

We are already seeing companies derive benefits such as:



REDUCED COSTS.

Many companies store old or low value data in siloes, which only costs them money rather than offering them any advantage with customers. A company with a large database of customer records could save millions (on average storing costs are \$1.50 per record per year) if they cleanse their database of inactive customers.



A BETTER CUSTOMER EXPERIENCE.

For companies, better data means better product placement, timing, upselling, cross-selling, and improved return on marketing investments—all of which contribute to a more personalized customer experience. For instance, Pandora transparently gathers self-reported data volunteered by customers so it can develop a profile for each. The more data users provide, the better the playlist tailoring becomes.



DATA MONETIZATION.

Companies must treat customer data as something to protect, but also as a currency that could make them more money with the right permissions and care. Given that 90 percent of consumers would limit access to certain types of personal data and would stop retailers from selling their information to third parties⁴, data monetization must be handled with great care—and only after digital trust is firmly established

While the GDPR may look like a burden, organizations that treat it as an opportunity have much to gain by showing consumers their data is respected, protected and used wisely to provide a more tailored experience.

THE CIRCLE OF TRUST

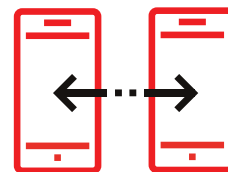
Under GDPR, a breach or noncompliance means regulators can essentially shut down a company by barring it from accessing and processing personal information. Beyond the imposed fine and potential downtime, companies will face consequences from the data subjects themselves. Each can withdraw access to their personal data – not just in the event of a breach—but at any time they feel the company cannot be trusted with their data anymore.

The implications for loss of digital trust can be severe. For instance, from an ecosystem perspective, 82 percent of companies say a lack of data security and ethical controls could exclude them from essential digital platforms⁵. From the consumer perspective, the ability to conduct customer segmentation, behavioral profiling and targeted marketing influence customer's lifetime value to the company.

Trusted brands see faster, greater adoption rates. Companies will look to become a trusted brand in the data protection arena, even though most are not in the official business of data protection. Eight out of 10 of consumers globally say trust is a key driver of brand loyalty⁶; 45 percent of consumers globally switched providers in the last year because they lost trust in a company. Yet, consumers are not unreasonable in this area. If a breach occurs and is handled swiftly and correctly, consumer trust in the company increases in four out of 10 cases.⁷



EIGHT OUT OF 10
of consumers say
trust is a key driver



45 PERCENT
of consumers
switched providers

ROCKING THE VOTE

While consumers have always voted with their wallets, they can now also vote with their data. Access to data will now have equal—if not more—impact than actual consumer spending.

Customers expect a tangible return from the use of their data. To give them this return, in the form of an enhanced customer experience and tailored offers and rewards, companies will need to turn to digital technologies such as analytics. In a virtuous cycle, digital trust drives value—and more value enables digital trust.

For instance, two-thirds of consumers are willing to share their personal information in exchange for some perceived value⁸; three-quarters would provide their birthday for a deal or offer⁹. One in four consumers are willing to share personal data in exchange for a better level of service or the ability to choose which data can be shared with third-party business partners¹⁰.

Determining how your customers define value will become increasingly important. Incentives can range from fast access to the latest product features, to relevant offers from partners. Getting this proposition right can insure when consumers vote with their data, they vote for your company.



3/4 OF CONSUMERS
would provide their
birthday for a deal



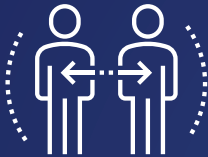
ONE IN FOUR
consumers would share
data for better service

SERVING UP **GDPR**

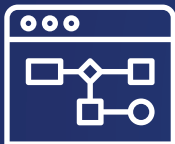
GDPR is an opportunity to rethink the way your organization handles customer, employee and citizen data. A few key considerations to keep in mind:



FOCUS ON THE CUSTOMER JOURNEY. Drive GDPR into the organization through prioritized customer journeys and business processes, rather than just through a technology or compliance approach. Engaging teams through a vision of the end goal—a seamless customer journey—will help your organization engage in the future state more rapidly.



EMPOWER CROSS-FUNCTIONAL TEAMS to make decisions quickly. GDPR requires a coming together of compliance, business and technology to ensure the changes you are driving are balanced and accelerated.



CREATE A SIMPLE PROGRAM STRUCTURE. Some companies create 100+ GDPR program nodes by developing many categories of the regulation for each of their divisions/business units. This complexity leads to the program being too cumbersome. Keep the structure as simple as possible so teams are able to communicate and keep the end goal in mind.

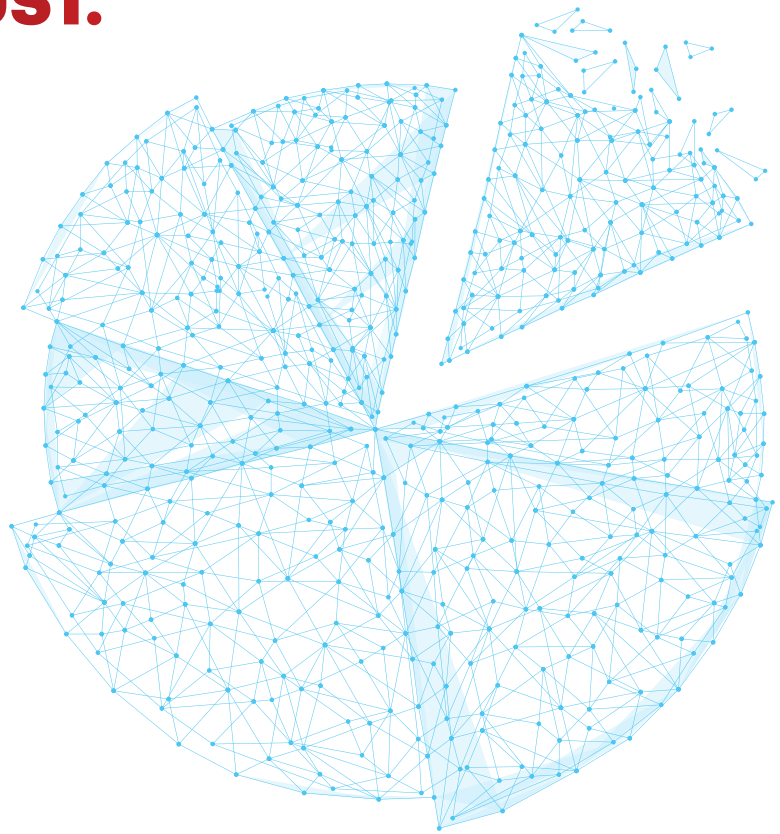


REMEMBER—A SINGLE TOOL IS NOT A SILVER BULLET. Organizations will need many tools for different parts of their program and many of these tools are in development and will evolve over time.

GDPR will fundamentally change the way we see data, cementing it as a new currency. Organizations will have to prove they are trustworthy with this new currency and are able to turn it into increased value for each customer.

IN OTHER WORDS, PII ON ITS OWN IS NOT ENOUGH.

ORDER UP THAT SIDE OF DIGITAL TRUST.



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NOTES

- 1 <https://www.weforum.org/agenda/2014/09/whats-value-personal-data/>
- 2 <https://newsroom.accenture.com/news/accenture-survey-one-in-three-cyberattacks-result-in-a-security-breach-yet-most-organizations-remain-confident-in-their-ability-to-protect-themselves.htm>
- 3 <http://www.bbc.com/news/technology-40353424>
- 4 https://www.accenture.com/t20170124T043944_w_/us-en/_acnmedia/PDF-41/Accenture-Retail-Personalization-Survey-Fact-Sheet-March-2015.pdf
- 5 Trust in the Digital Age, Accenture survey, 2017
- 6 Accenture Global Consumer Pulse Research, 2016
- 7 Accenture Consumer Survey on Healthcare Cybersecurity and Digital Trust, 2017
- 8 Digital Trust in the IoT Era, Accenture, 2015
- 9 Ibid
- 10 Ibid

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