FEDMA MARKETING SUMMIT

“Innovation and Trust. New Data Era”.

FEDMA’s Marketing Summit gathered on the 22nd of September experts from all over Europe to discuss about the benefits of unleashing the potential of Big Data and how marketers must adapt for the new data-driven economy.

FEDMA warmly thanks Microsoft for hosting this event at their Microsoft Center in Brussels. The aim of this Marketing Summit edition was to provide answers to key questions such as ‘What are the innovation trends that marketers need to be aware of?’ ‘What are the remaining barriers or challenges to becoming a data-driven European economy?’ or ‘How to reach the right balance between Big Data and privacy?’

Experts from Microsoft, IBM, SAP, European Young Innovators Forum, Fieldfisher and Merkle shared their knowledge with the participants.

FEDMA’s Secretary General, Mr. Sébastien Houzé, welcomed the attendants with a speech addressing the importance of Big Data for Marketing and the revenues that it brings to the economy. Sebastien pointed that an additional GDP of 206bn € in Europe will be attributed to the data-driven economy by 2020. He also highlighted the importance of the standardisation of flows of data, integration of this data to enable 1-to-1 dialogue and the analysis of the data for better relevance through better customer experience because, as he remarked, “it’s not about sending letters, it’s about having the right conversation” with the consumers.

The 4th Industrial Revolution

After the presentation, Sebastien gave place to the keynote speaker Mr. Kumardev Chatterjee, Founder and President of the European Young Innovators Forum (EYIF), who talked about the main innovative data-driven technologies that marketers can expect in the upcoming years and how to be ready for these game changers.
Kumardev explained what the 4th industrial revolution entails: it is about hyper connected presence enabled by Artificial Intelligence (AI) fuelled by Smart Data and powered by Internet of Things (IoT). He stated that Smart Data and IoT are leading to artificial intelligence, which does not really mean robots, but rather smart objects which understand their context and communicate with each other. “Future is already here”, assured Kumardev. There are already examples of smart world, such as factories or hotels which are fully automatized. “Companies do not need to interact directly with customers anymore” stated Kumardev. He also talked about key technologies leading the 4th industrial revolution such as 3D printing, digital currencies or wearable technologies. Kumardev also highlighted the importance of drones, which are expected to create $11 million by 2020.

He offered some interesting figures which highlighted the impact that Internet is having on our economy and on our lives in general. He stated that a 90% of the global population will have regular access to internet and will be using advanced smartphones in the next decade, and also that 80% of the world’s population will have a digital presence. Finally, Kumardev also spoke about the industry challenges. There are no more suppliers and consumers, rather suppliers and consumers have all become users exchanging data as a service and providing trust as infrastructure. In his opinion, European innovators are facing a fragmented regulation and lack of user-mindset, the two barriers to be overridden for Europe to be an innovative and thriving data-driven economy.

The marketer and new data era

After the keynote speaker, the role of ‘The marketer and new data era’ was discussed within a high level panel moderated by Mr. Chris Combemale, Group CEO of the Direct Marketing Association from the United Kingdom (DMA UK). The panel was composed by Mr. Olivier Proust, Of Counsel on Privacy, Security and Information at Fieldfisher, Ms. Corinna Schulze, from SAP and speaking on behalf of the Big Data Value Association (BDVA), and Mr. Dean Russel, EMEA Creative Strategy Director at Lewis PR.

Mr. Combemale started the discussion by pointing out a UK DMA study on “what consumers really think” which highlighted that only 8% of people felt that they were gaining more benefit than companies when sharing their data against 80% of the people who hold a contrary opinion. Ethical use of Big Data is essential. This panel tried to give an answer on how to approach consumers and get trust from them.

Mr. Olivier Proust, Of Counsel on Privacy, Security and Information at Fieldfisher explained the key points of the General Data Protection Regulation (GDPR) which will affect the Marketing business. The new Regulation, which is still under Triilogue negotiations, would not regulate profiling as such, instead it would regulate automated forms of processing, which includes profiling. A situation would fall under the scope of automated processing when a “solely” automated decision is made about an individual that either has a legal effect or significantly affects the data subject (this latter concept being very vague). Automated processing (including profiling) won’t be forbidden per se, but allowed under some very specific conditions: a law of the Member States allows it, or the automated processing is necessary to enter into contract with the data subject, or the data subject’s explicit consent is obtained. When one of these conditions is met, profiling would then allowed. He also
highlighted that profiling of sensitive data would be prohibited, unless the data subject gives explicit consent.

Furthermore, Olivier pointed out that the Regulation would apply to all the companies who collect personal data from European data subjects, even when based outside the EU, if such data is used to monitor their behaviour. He warned that companies will face very high fines if they do not comply with the law. His advice for companies to make sure they comply with the Regulation is to follow privacy by design, which means that the concept of privacy needs to be embedded in the production or design of the company’s final product or service. It will be important to carry out risk assessments and the Chief Privacy Officer (CPO) must work seamlessly together with other teams such as legal, marketing, business and IT to address privacy requirements in a consistent and efficient manner.

Ms. Corinna Schulze, from SAP and speaking on behalf of the Big Data Value Association (BDVA) presented the BVDA. The objectives of BVDA are to boost European Big Data value research, development and innovation and to foster a positive perception of Big Data value. The BDVA presents an industry-led contractual counterpart to the European Commission for the implementation of the Big Data Value Public Private Partnership. Following up on the previous speaker, Corinna pointed out that the European Parliament and Council still need to agree on some basic definitions such as profiling or personal data. She pointed out that “this is a big responsibility, the fact of defining nowadays something like personal data will have a direct impact shaping our society”.

Corinna defended the importance of having a balanced GDPR and she asked for legitimate interest instead of explicit consent as a condition for automated processing. She also claimed that more flexibility is needed for the use of anonymous and pseudonymous data. Corinna considered that the law is not the only way to protect data. Indeed, thanks to further research it will be possible to find technical solutions to protect data. She stated that politicians need to understand that business
need initiatives to keep investing in research and should remain open to alternatives to legal compliance. Corinna called for Big Data stakeholders (researchers, lawyers, innovators, investors) to work more closely together to unleash the full potential of the Big Data market.

Mr. Dean Russel, EMEA Creative Strategy Director at Lewis PR, followed the discussion focusing on data analytics and 1-to-1 engagement. Data is becoming ubiquitous and cheap, however it heavily requires analysis. This is where the industry must be careful on how to analyse and use data. The data-driven industry must use data better to measure forward more effectively. The industry knows at the moment the consumer preferences, but not enough when the consumer will want to purchase its preferred product or service, and therefore when to send the consumer the offer. At the same time, it is essential for the industry to reach the right balance between better offers and services to the benefit of the consumer and over personalised 1-to-1 engagement (between creepiness and creative writing). Dean wondered “when do brands become stalkers?” and he stated that the way organisations approach customers must not be “creepy”. “When approaching someone, would you start the conversation telling everything you know about them or would you use that background to prepare and to start the conversation?” inquired Mr. Russell. It is needed to communicate based on relevancy, not by telling everything you know about the consumer, he insisted.

Personalisation is key and he explained that the industry needs to further personalise the message, tone, choice of wording for the consumer. These are also considerations relevant for politicians in their campaigns. The consumer is still looking for more profit and the industry needs to get the right “exchange rate” between what data the consumer gives and what benefits he receives. He concluded that marketing teams, to increase their efficiency in data analytics and 1-to-1 engagement, will rapidly need to include data scientists, psychologists, anthropologists, journalists and writers.

Questions arose from the audience regarding measures companies should take in order to comply with the upcoming Regulation. Olivier encourages business to come up with innovative opt-in mechanism. “I would like to see an innovative way to get explicit consent” he stated. Speakers and attendants agreed on the consumers’ need to trust companies which process their personal data. Lack of consumer understanding could slow down the data-driven economy. Therefore, data-driven industry ethics and consumer education are essential.

**Leveraging Big Data in Europe**

In the afternoon, speakers from tech leading companies joined the second panel on ‘Leveraging Big Data in Europe’ which was moderated by the keynote speaker and EYIF President, Mr. Kumardev Chatterjee.
Mr. Patrick Billens, IBM Big Data Business Leader, assured that Big Data is truly transforming the business and this new era is being defined by 3 shifts: data, cloud and engagement. Patrick explained that marketers “establish a system of engagement that delivers value through a variety of different channels and tactics”. Volume and variety of data can be dealt with, however velocity is still challenging. Patrick emphasized that right timing is key for marketers to approach people at the good moment. “Power is real time analytics” he claimed. 53% of data is CRM, the other data is operational (e.g. IoT) which can be very relevant for your marketing. Big Data is a race a lot of companies want to win, but the key question is can you trust your data? Do you have the right data culture? And the right partnerships? Patrick also highlighted some astonishing figures like that there are currently 9 billion connected devices and they are expected to reach between 50 and 100 billion within the next decade and to create around $6.2 trillion by 2025. For further details, please refer to their presentation.

Mr. Maciej Surowiec, Government Affairs Manager at Microsoft, argued that data analytics solutions unlocked by cloud computing, i.e. in the form of Software as a Service (SaaS) solutions, allow to gain business intelligence as never before. Maciej shared examples of data-driven business intelligence tools powered by the cloud: real-time updated interactive dashboards controlled by natural language queries (e.g. Power BI, particularly relevant for SMEs), machine-learning fueled predictive analytics (e.g. connected cows in an Internet-of-Things project) and decisions support with perceptual intelligence of Cortana Analytics Suite, personal digital assistant integrated into business decision-making.

Maciej also remarked the importance of respecting consumers’ privacy and their “right to be let alone”, when they desire so. “Consumers want to share more personal information but they want to decide who they share the information with and they want to determine how this information will be used”, he stated. For further details, please refer to his presentation.
Mr. Massimiliano Minisci, Director of EU Public Policy at GS1, focused his intervention on omni-channel retail and the use of “standards to enable a seamless consumer experience”. **Buying habits are evolving towards a network environment, explained Massimiliano, “before, people used to buy at the shop, but now they also check the products online”**. “This means the digital representation of a product needs to be the same in potentially thousands of different places” he stated. **The importance of the digital representation of a product need of a common language, standardisation, to deliver a good customer experience.** But the lack of standard when data is exchanged is still a challenge for the industry. As a solution, GS1 provides standards focused on identification (GS1 Identification number), capture (GS1 Data Carriers) and share (GS1 Data Exchange). He gave as an example Wochacha, a consumer leading product information platform in China. For further details, please refer to their presentation.

Ms. Catherine Lindo, EMEA Director at Merkle, spoke about the importance of data hygiene and she gave advice on how to clean data. **Catherine claimed that data is useful when it is clean**, which means data is “relatively error-free” and contains no duplication and no errors and it is up to date. “You will be able to reach your customers if you have the right contact info” assured Catherine. She also advised that “spending money upfront is key and profitable in the end” and it is really important to respect the opt-in and opt-out if you do not want your company to end up in the black list.

Merkle’s methodology to clean data follows 4 key steps: First, establish a routine, secondly, establish clear ownership of the data, thirdly, prioritize your data and finally, documentation, which means “defining what the data is, and the context of the data within the business”. **Catherine reminded that data scrapping is illegal, that it is important to take a global view as data is global and she called on companies to invest in hygiene.** For further details, please refer to their presentation.
Press Release

The second panel discussion was followed by the conclusion remarks from both FEDMA co-chairs Ms. Diana Janssen and Dr. Sachiko Scheuing who thanked all the attendants and speakers for their participation and to Microsoft for hosting the event.

Diana Janssen (left). Sachiko Scheuing (right).