

The Top

# Eight Things

You Need to Know About the

# CCPA

(And what it means for CXM)

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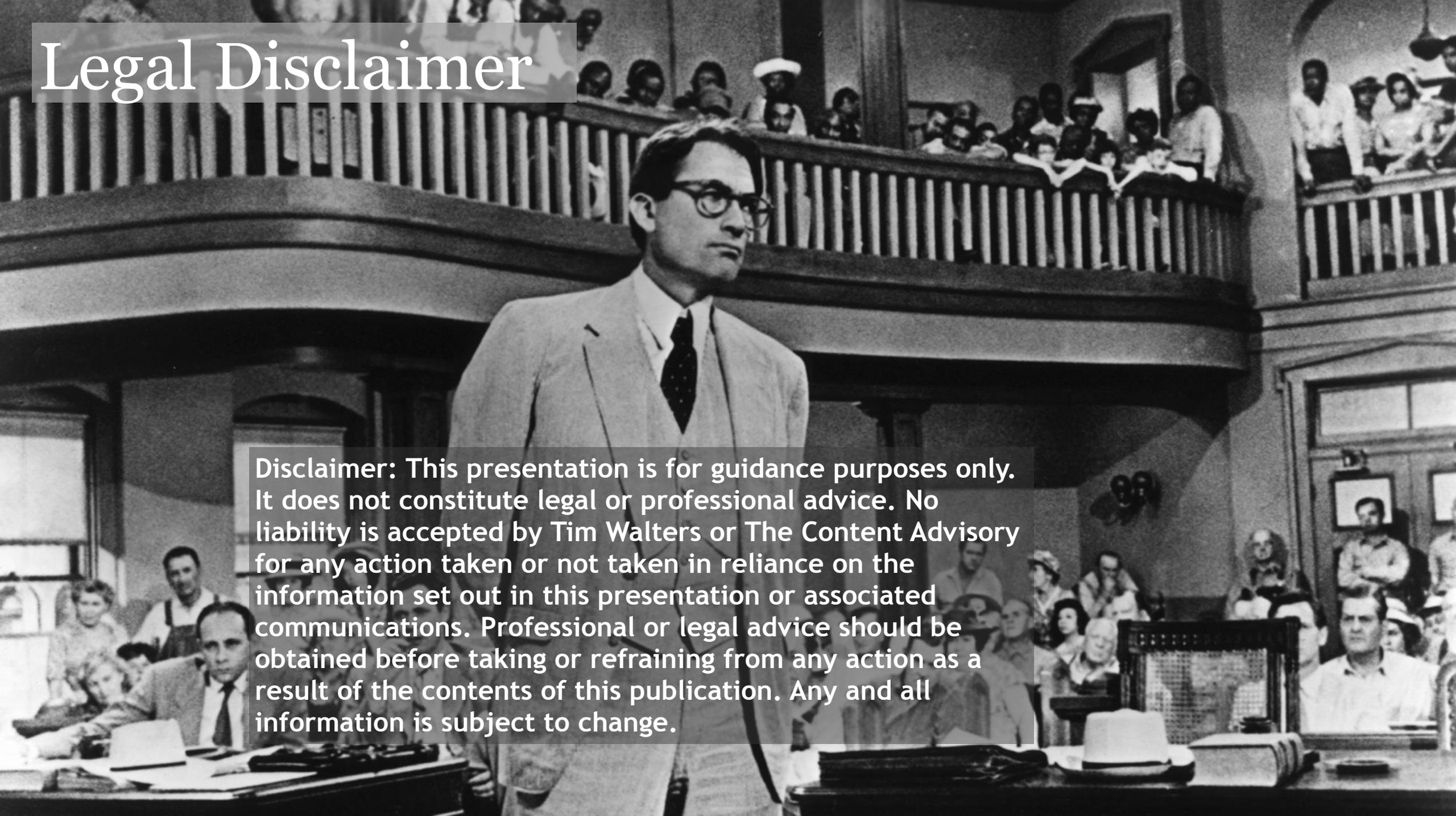
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# Agenda

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## **The Consequences of Origins**

#1: Who is affected?

#2: What counts as personal information?

#3: What rights are granted to consumers?

#4: Drill down: Right to disclosure/transparency

#5: Drill down: Right to delete

#6: Drill down: Right to opt-out of “selling” data

#7: The 12-month “look-back” period

#8: Enforcement and Fines

## **Burden or Benefit: CCPA and CX**



# The consequences of origins



- 40 million residents
- Fifth largest economy in the world
- Birthplace and epicenter of the digital age





FEATURE

# The Unlikely Activists Who Took On Silicon Valley — and Won

Mining personal data has become a trillion-dollar business — which is why activists are pushing laws to curb the practice, and why Facebook and other companies are desperate to stop them.



Originates  
with  
consumers,  
not  
bureaucrats



The Top  
**Eight Things**  
You  
(in marketing and CXM)  
Need to Know About the  
**CCPA**



# # 1: Who is affected?

## ■ For-profit “businesses” that:

- Do business in California (regardless of location) **and**
- Collect personal data of California residents (“consumers”) **and**
- Determine the use(s) of the information



## ■ Inclusion criteria

- Annual gross revenue of at least \$25 million **or**
- Annually process personal data from >50,000 consumers **or**
- Derive at least 50% of annual revenue from “selling” California residents’ personal data



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Determined how?



## ■ Inclusion criteria

- Annual gross revenue of at least \$25 million **or**
- Annually process personal information from >50,000 individuals\* **or**
- Derive at least 50% of annual revenue from “selling” CA personal information

One FB ad?

Wait for definition.



\* “[B]uys, receives for the business’ commercial purposes, sells, or shares for commercial purposes [. . .] the personal information of 50,000 or more consumers, households, or devices.”

## #2: What is “personal information”?

“Personal information’ means information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information includes, but is not limited to, the following:”

- The usual: name, address, social security number
- The expanded: profession, education, purchase, property info
- The digital: IP address, device ID, browsing history, geolocation
- The weird: “Audio . . . thermal, olfactory or similar information”
- The profile-driven: “Inferences drawn from [such information] to create a profile about a consumer . . . .”



# #3: Consumer rights under the CCPA

- The right to disclosure
- The right to access
- The right to be forgotten
- The right to opt-out of (and opt-in to) “selling” of personal data
- The right to equal treatment (aka non-discrimination)



# #4: Right to disclosure/access

- First, refers to the obligation to *disclose* certain information “at or before the point of collection.” Typically, this is in the privacy policy.
  - This is not a consent request, and unlike the GDPR, there are no requirements that it be “easily understood” or presented separately from the policy.
- Also refers to the right to *access* (e.g., have disclosed and to receive a copy of) PI that is already held by a business. Includes “categories and specific pieces of personal information” as well as sources, purposes of processing, and with whom it has been shared.



# #5: Right to be forgotten

- Aka right to deletion or right of erasure.
- Consumer may request deletion of personal data about them held by a business.
- Applies only to personal data collected “from” the consumer.
- Numerous exception, e.g., if data is used for:
  - Security and fraud prevention
  - Scientific or statistical research in the public interest
  - Internal uses that are “reasonably expected by consumers”
- Exempted PI may be used *only* for the exempted purpose(s).

# #6: Right to opt-out of selling of PI

- Consumers may direct a business not to sell their PI to third parties.
- To be supported by “a clear and conspicuous link on the homepage titled “Do Not Sell My Personal Information.”
- “Selling” is defined as follows:

(t) (1) “Sell,” “selling,” “sale,” or “sold,” means selling, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means, a consumer’s personal information by the business to another business or a third party for monetary or other valuable consideration.



# #7: The 12-month “look back” period

- A request for disclosure of a consumer’s PI covers the 12-month period preceding the receipt of the request.
- This usefully limits the amount of personal data businesses now need to inventory, audit, and prepare to disclose.
- Also means that as of January 1, 2020, business must be prepared to disclose/delete any personal information collected since January 1, 2019.



# #8: Enforcement and penalties

- CCPA is enforced by the California state Attorney General.
- Fines may be up to \$2500 (unintentional) and \$7500 (intentional) “per violation.”
- Seems painless, right?
- But under previous legal decisions, each user/consumer affected counts as *an independent violation*.
  - Example: Under the CCPA, Facebook’s disclosure to Cambridge Analytica of data of 24.6 million California residents would have meant a potential fine of \$184.7b
- Under certain conditions, CCPA allows “private right to **action**” - i.e., class actions with fines of up to \$750 per

Source: <https://iapp.org/news/a/top-5-operational-impacts-of-cacpa-part-5-penalties-and-enforcement-mechanisms/>

# Summary

- No provision against informed (transparent) data collection and *internal* usage (within stated purposes).
- However, consumers may request deletion of data at any time (with provisos).
- Requires prominent display of ability to opt-out of “selling” (e.g., sharing) of data.
- Potential for *massive* fines, even compared to GDPR.

■ Some details pending, but the core obligations are

# Burden or Benefit?

the

## CCPA & CXM

(With *worst practice* examples  
from the response to the GDPR.)



# Two buckets of obligations

- Historical: Regarding PI that you *have*
  - Requires comprehensive and complete knowledge of data stores, types, sources, and flows (including sharing)
  - An arduous one-time discovery effort. (Including exposing potentially unknown data sharing.)
  - A meticulous on-going governance challenge

- Prospective: Regarding PI that you *want*
  - Requires disclosure and opt-out link
  - Offers competitive advantage to those firms that maximize access to data, i.e.
    - First, reduce consumer use of opt-out
    - Then, reduce requests for deletion



# Ultimately, it's about consent/permission

## GDPR

- Permission is obtained when the consumer agrees to your consent request.
- Permission is maintained as long as the consumer does not opt-out or exercise right to be forgotten in the future.

## CCPA

- Permission is obtained when the consumer turns down (ignores) the opportunity to opt-out.
- Permission is maintained as long as the consumer does not opt-out or exercise right to be forgotten in the future.



# Data regulations power fundamental shifts

|              | FROM  | TO  |
|--------------|---|---|
| AVAILABILITY | <p><b>SUPER ABUNDANCE</b></p> <p>Personal data is “digital exhaust” that can be vacuumed up at will and used without restriction.</p> | <p><b>SCARCITY</b></p> <p>Personal data is like the car that produces the exhaust – and you’re only borrowing it.</p>         |
| CULTURE      | <p><b>DATA PREDATORS</b></p> <p>“The guy with the most data wins.”<br/>(Tim O’Reilly)</p>   | <p><b>DATA SHEPHERDS</b></p> <p>Data must be managed “sensitively and ethically.”<br/>(ICO Commissioner Elizabeth Denham)</p> |
| STRATEGY     | <p><b>BIG DATA</b></p> <p>Personal data is a corporate asset, from which business value is extracted.</p>                             | <p><b>BEG DATA</b></p> <p>Personal data is accessed via attractive value propositions that win consumers’ permission.</p>     |





In the era of **big data**, marketing's preeminent and prerequisite goal shifts from lead generation to **permission generation**.



“Succeeding in today’s market means creating a positive experience for customers from their very first interaction with a brand.”

- Wunderman



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**USER PRIVACY PREFERENCES**

**Information storage and access**

**Personalisation**  **Active**

**Ad selection, delivery, reporting**

**Content selection, delivery, reporting**

**Measurement**

Allow processing of a user's data to provide and inform personalised advertising (including delivery, measurement, and reporting) based on a user's preferences or interests known or inferred from data collected across multiple sites, apps, or devices; and/or accessing or storing information on devices for that purpose. Will include following Features:

- Matching Data to Offline Sources - combining data from offline sources that were initially collected in other contexts.
- Linking Devices - allow processing of a user's data to connect such user across multiple devices.
- Precise Geographic Location data - allow processing of a user's precise geographic location data in support of a

Back SAVE AND EXIT





# GDPR



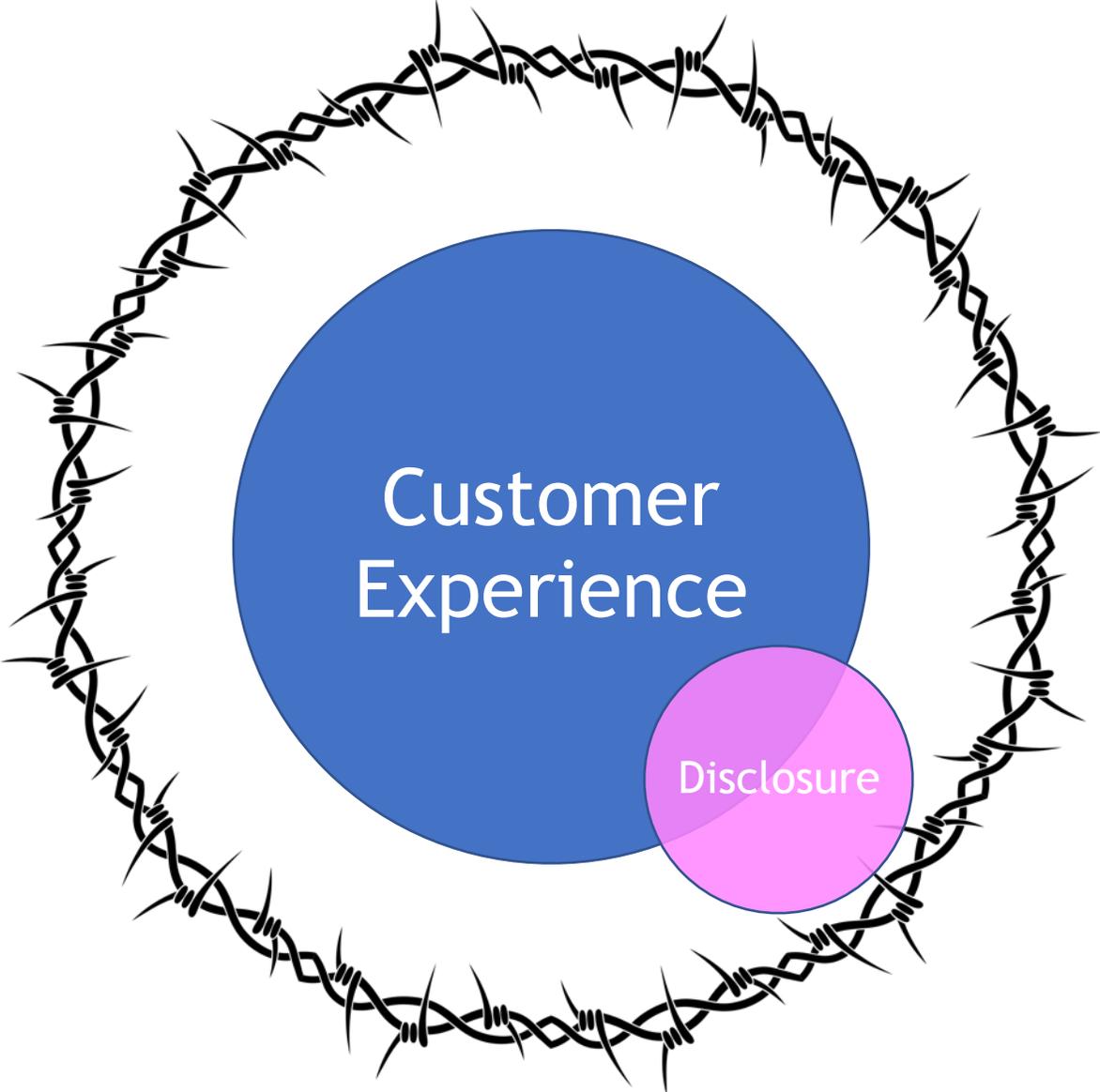
# CCPA

Do Not Sell  
My Data!



# CCPA

Do Not Sell  
My Data!



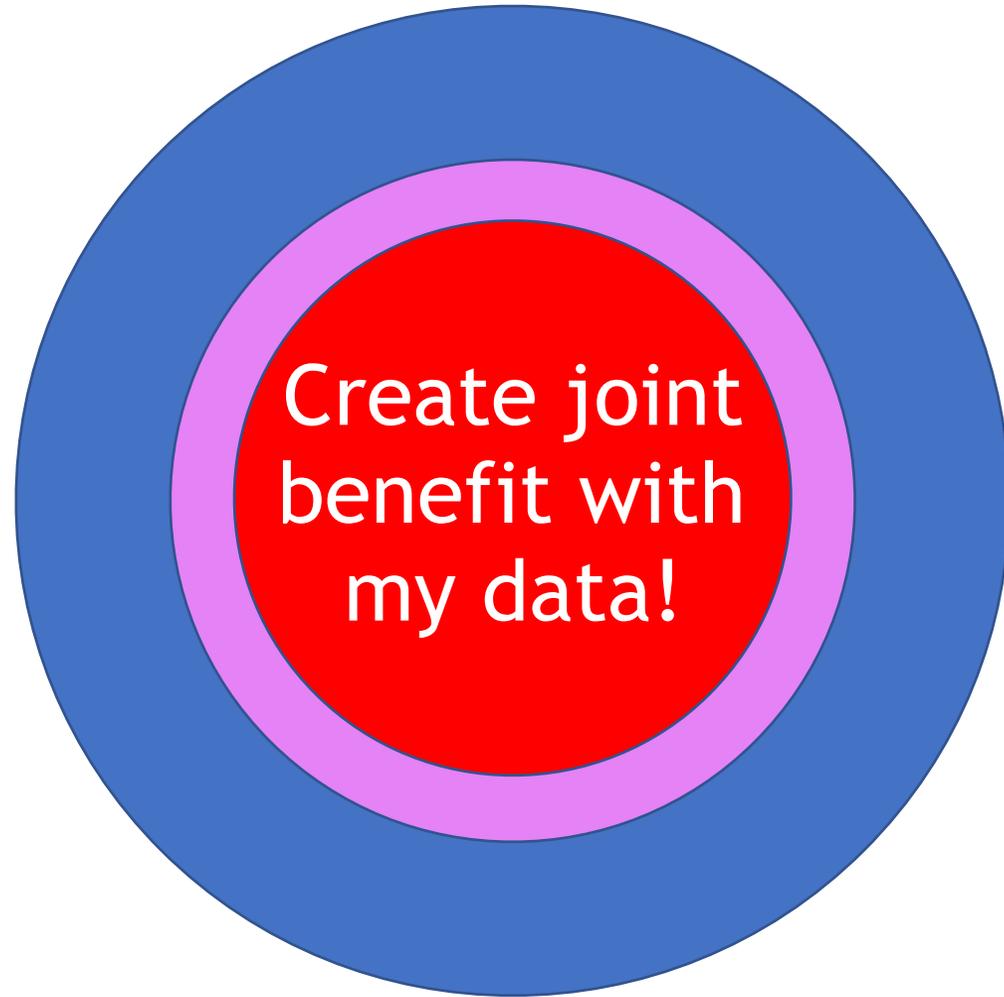
# CCPA



Required disclosures as customer-centric value propositions



# CCPA



# Customer insights and segmentation

Forrester's version - but you should probably create your own



# Personas

## CHAD

**AGE** 35-55  
**OCCUPATION** Busy Professional  
**STATUS** Married  
**TIER** Heavy: Multiple Cups / Day  
**DISC TYPE** Driver Personality

Busy x Quality = Important x  
Achievement Oriented x

### Motivations

- Incentive
- Fear
- Achievement
- Growth
- Power
- Social

### Personality

- Extrovert / Introvert
- Sensing / Intuition
- Thinking / Feeling
- Judging / Perceiving

### Goals

- Focus on Career (be as time efficient as possible)
- Wants premium coffee at office (where he spends much time)
- Want to enjoy coffee - not think about it (waiting in line)

### Frustrations

- Wasting time in Line to get premium coffee
- Must put up with "Office" coffee full day
- Drinks many cups - no variety in office blends!

### Bio

Chad is a very busy professional managing a team of other professionals. He works intensely, as does his staff, putting in long hours. They drink many cups of coffee daily... and were bored with the "office" variety of coffee. They want to try PREMIUM coffee roasts, with some variety. They don't have time to do coffee runs throughout the day... they want it at their office.

Hence the interest in a Coffee Roast Club - where premium blends are shipped monthly for fresh grinding and use.

### Technology

- IT & Internet
- Software
- Mobile Apps
- Social Networks

### Brands

Favourite Brands|

Xtensio Apple  
Coca-Cola



"I work long and hard driver, put in long hours, and am the busiest person I know. I want great coffee... but I don't want to spend my time in line to get it"



# Formulating and communicating value

- When an agency asked consumers to share their spending habits with an airline, 4% agreed.
- But when told they would receive a “personalized itinerary based on their budget,” 45% agreed - an 11x increase.



# Summary

- CCPA, GDPR, etc. will result in more scarce and thus more valuable personal information.
- Competitive advantage accrues to those that secure and maintain permission to access personal data.
- Generic requests/disclosures are CX- and permission-hostile.
- CX teams should use skills to turn consent from a CX barrier to a benefit and competitive advantage.



THANK YOU!!



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