



A NEW DATA IMPERATIVE FOR ORGANIZERS – GDPR

by John M. Coe

By now you have likely heard or know about the new EU data privacy regulation GDPR, which stands for **General Data Protection Regulation**. Knowing about it is one thing, but are you ready for implementation on **May 25th**? That's a little over three months away. In fact, a recent study by UBM and erwin in the fall of 2017 discovered that only 6% of North American companies are completely prepared for GDPR compliance. Are you in the unprepared 94% of companies?

If not, this white paper is intended to give you information and a guide on how you might want to proceed assuming you either have or want to market to European citizens. Even if you don't target this audience chances are you have some of their records in your registration files now.

What is GDPR?

In summary, the GDPR will merge data privacy laws across the EU, and standardize how all organizations and companies deal with data privacy. Under the law, all companies must obtain explicit consent from any person residing in the EU to gather, collect and use their personal data. The regulation defines personal data as "any information relating to an individual, whether it's related to his or her private, professional or public life". This includes home address, photos, email address, financial information, posts on social media and even computer's IP address. For a complete explanation and details visit <https://www.eugdpr.org>

As with all laws and regulations, it's the penalty you pay that insures compliance. In the case of GDPR, there are real teeth to force compliance. In other words, they really mean it! The fine for non-compliance could be as much as €20 million or 4% of a firm's global revenue. Clearly this penalty will be applied to the most egregious violations, but it's a significant threat to any firm who ignores the spirit and implementation of the GDPR regulation.

While that is the financial penalty of non-compliance to GDPR, the other "penalty" for marketers is the risking of their reputation and creating a competitive disadvantage as ultimately customers will no longer trust and want to do business with firms that do not respect their data privacy. Many recent surveys uncover a growing mistrust of companies who ask for and/or gather personal data and then either misuse it or sell it to others. While this sentiment is strongest among consumers, it does cross the boundary into their lives in business as well. In one recent survey, 82% of consumers said it is likely (51%) or highly likely (31%) that they would want companies to delete their data if asked. That goes directly to the opt-in consent of GDPR.



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A Plan to Comply

For organizers of trade shows and events in the EU, compliance is mandatory and likely those organizers are already deep into their compliance process. For organizers of North American trade shows and events, the need is less pressing, but non-the-less important to begin.

The following plan is recommended:

Assessment

- The first step is to determine how many EU individuals reside on both registration and exhibitor CRM files. This simply is done by an address search and partitioning off of these records. Based on the number of records within each country may want to consider specific country standardization to make sure that all the international address components meet local postal requirements.
- Assuming you have a significant number of records subject to GDPR, then decide if you want to market to these individuals or not. If yes, then move forward with the compliance process that follows. If not, all EU records must be deleted from your files per GDPR compliance. New registrations and exhibitor information then should be dealt with according to the compliance procedures.
- While most of the regulations are known at this time, be alert to the final regulation as it may change before implementation on May 25, and in fact, the date may even be pushed back from some reports.

Compliance

- The regulation calls for you to obtain “unambiguous consent” from individuals that you plan to further market. This consent communication must include the following:
 - a. Name of organization and/or trade show sending the consent form plus the email address, phone number and postal address of the firm.
 - b. A statement of why the individual’s contact data is desired and how it will be used in the future.
 - c. If email is used for consent, the form must be a positive agreement and has to be more than a “submit” or “yes” button. If postal mail is used then the form should be signed by the individual and returned for filing
 - d. The evidence of consent must be tracked and maintained, and upon request by regulators the exact form of consent is required to be presented.
- The ability to “unconsent” or opt-out must be as easy to consent. Directions to do so need to be included in the opt-in communication.
- For those individuals who opt-out, their records need to be completely deleted from all files.
- An educational effort for all customer facing employees is strongly encouraged so that everyone not only knows the regulation rules, but can explain them to any attendee or exhibitor who inquired.



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DATA

What About Outside Data and Lists?

Obviously, GDPR also applies to outside data and list providers as they will have to provide proof of obtaining unambiguous consent from all EU individuals on their database. GDPR applies to “controllers” of the data as defined as the entity that determines how the data will be processed and for what reason. This consent must also include an acceptance of allowing the individual’s personal information to be used by third party marketers.

While no statistics currently exist on the percentage of opt-ins for this type of consent, it’s logical to conclude that outside lists will shrink substantially in size as individuals either opt-out or fail to opt-in. List owners and brokers are painfully aware of GDPR for this reason, and are actively engaged in obtaining the needed opt-in.

This reduction in size of outside marketing lists places an increasing emphasis on organizers inbound marketing efforts. The importance of building an internal opt-in database of prior and potential attendees will rise dramatically, and eventually replace much of the reliance on outside data providers.

For exhibitor marketing, the process is different as most prospective exhibitor acquisition efforts are outbound, and can easily include an opt-in request as part of the sales process. Targeting typically starts with firmographics, not individuals, and this data is not affected by GDPR.

“Biggest change to EU data protection law for two decades” SC Magazine



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Common FAQ's We are Asked

While some of these questions are answered by the information above, we repeat them for the sake of clarity.

Q. We don't actively do business or market to EU residents and businesses, so does GDPR apply to us?

A. Yes, it applies to any firm who has EU citizen's data wherever it resides. Even though your company is not based in the EU or actively markets to EU citizens, you are liable for compliance if you have their personal data on file.

Q. Do I only have to deal with GDPR type regulations in Europe?

A. At this time it's the only official regulation of this type coming down the pike, but similar regulations are being considered in Japan, Singapore and Australia. In time, data experts' project this type of opt-in requirement will spread to most countries including the US. Therefore, it's time to rethink how you obtain data and gain marketing permission.

Q. We are a B2B marketer and don't sell consumers. Does GDPR apply to us?

A. Let there be no confusion, the regulation applies to any EU citizens whether they are communicating to you as consumers or business people. In fact, many are one in the same in the SOHO market segment.

Q. Does GDPR only apply to information and data supplied by the individual?

A. No, it applies to all and any data generated, collected or related to the individual whether or not they provided it such as a trade show registration.

Q. Are small businesses exempt as the burden can be both difficult and expensive.

A. There is no exemption or allowance for business size even if there is only one employee.

Q. Does "legitimate interest" allow marketing without the individual's consent?

A. There is a "legitimate interest" exception in the regulation, but the use cases are very strict. These include a court order, protection of some vital interest like human rights or if you need a social security number or other personal data to complete a purchase. Otherwise consent is needed even though the individual has prior agreed to receive communication and/or marketing information.

Q. When GDPR begins on May 25 will there be a massive data auditing?

A. Initially, large and likely target companies will be first in line for auditing. Certainly reported data breaches will be investigated as well. No massive audit is expected, but this is the EU and until it happens don't be sure it won't.



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How We Can Help

First, we are keeping on top of GDPR, and if you have questions please call or email. If you need data assistance in separating EU records from your files, we are also ready to pitch in and do this. In addition, we work closely with several firms that are expert in working with EU data if their services are required to meet your needs.

Direct Hit Marketing, Inc.

Data tells a story. We are story tellers. Story telling is an art and science, and we tell your story with data science. We have 26 years writing and presenting these stories in the B2B, Trade Show & Association and Higher Education markets. Using our data analytic capabilities we develop insights that are actionable in these major areas:

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John has partnered with Direct Hit Marketing and is responsible for adding new trade show clients and thought leadership. John is also Co-Founder and President of B2BMarketing, LLC His background includes experience in both sales and marketing. On the sales side, John was a field salesman, national sales manager and executive in charge of both sales and marketing for three major B2B firms. On the marketing side, he was president of a B2B direct marketing agency for 10 years, was National Campaign Manager at IBM, Sr.VP of B2B at Rapp Collins Worldwide and President of Protocol B2B. John is also the author of *The Fundamentals of Business-to-Business Sales & Marketing*, published by McGraw-Hill. John's next book co-authored with Steve Juedes, President of DHM is titled *Data-Driven Trade Show Marketing & Sales for Organizers and Exhibitors* is due for publication in late 2018. He can be reached at johnc@directhitmarketing.com or by phone at 602-402-6588