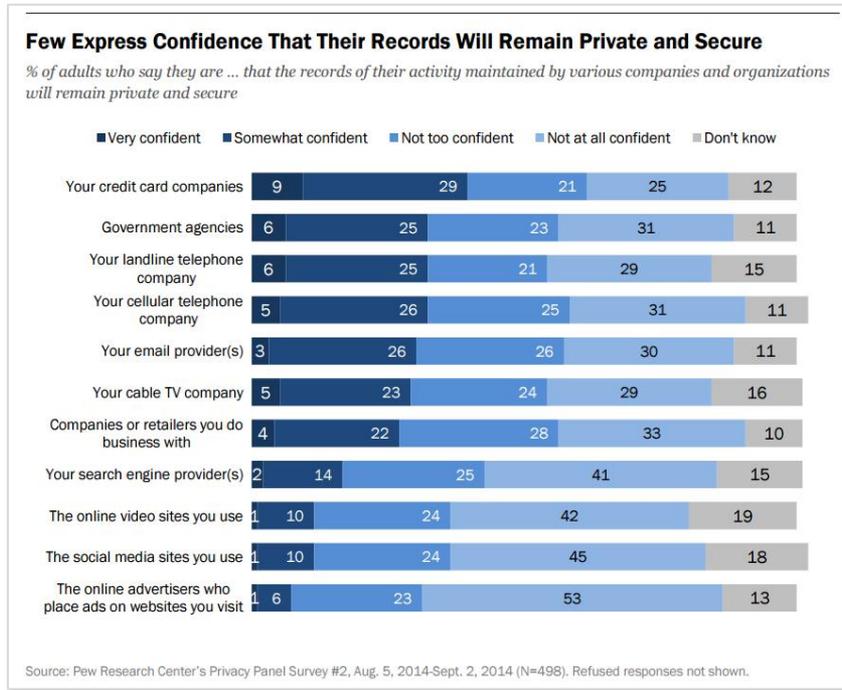


Privacy Shield and consumer protection

Privacy protection and use of personal data are central issues in how the Internet is being used. In an economy where data is the 'new oil', personal data is a highly valuable resource.

But it is critical to rebuild trust and confidence.

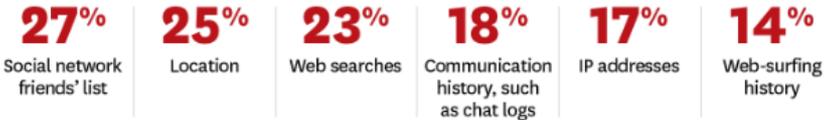


Source: Pewinternet.org

In the Dark About Data

While most people are broadly aware that companies collect data on them, they're surprisingly uninformed about the specific types of data they give up when they go online.

Percentage of people who realize they're sharing their:

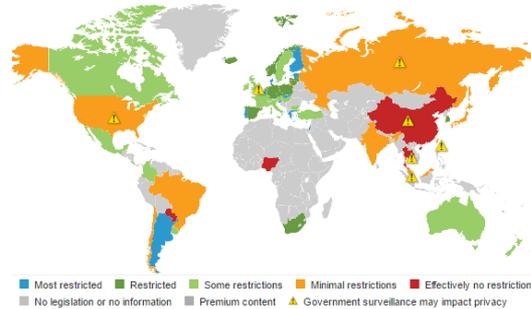


SOURCE: TIMOTHY MOREY, THEODORE "THEO" FORBATH, AND ALLISON SCHOOP
 FROM "CUSTOMER DATA: DESIGNING FOR TRANSPARENCY AND TRUST," MAY 2015

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New regulation to rebuild trust and confidence

- **Europe is leading the “game”:**
 - The **European General Data Protection Regulation (GDPR)** adopted in 2016 is the most significant data privacy legislation to affect businesses across the globe.
 - The **EU-U.S. Privacy Shield** Framework was designed by the U.S. Department of Commerce and European Commission to provide companies with a mechanism to comply with EU data protection requirements when transferring personal data from the European Union to the United States.
- **Several countries are moving toward the EU standard for data protection:**
 - South Korea enacted in March 2016 stiff penalties for data privacy violations by telecommunications and online service providers in a fashion similar to the European GDPR.
- **Despite a tradition of self-regulation in the United States, the Federal Trade Commission (FTC) has taken recent enforcement actions for online privacy violations.**
 - FCC passed in October consumer protection rules regarding ISP data sharing.



Companies need to reinvent their relationships to consumers

- **Companies need to comply to regulations.**

- A new report from Symantec (“State of the European Data Privacy Survey 2016”) revealed that 96 % of businesses in UK, Germany and France are under prepared for General Data Protection Regulation (GDPR).
- The report found that nearly one in 10 companies said all employees can access customers’ personal information.

- **Compliance is not enough, consumers expect more.**

- **“Privacy by Design”** will impact companies’ corporate culture, organizational structure and business processes.
- Numerous studies have found that **transparency about the use and protection of consumers’ data reinforces trust.**
“At Apple, your trust means everything to us.” (Tim Cook on Apple’s website)
- Three key principles:
 1. Teach your customers.
 2. Give them control.
 3. Deliver in-kind value.

(source: Harvard Business Review, <https://hbr.org/2015/05/customer-data-designing-for-transparency-and-trust>)

Open questions and challenges

- How to educate the consumers on their data rights?
- What is the right balance between security intelligence that governments want to enforce and personal privacy?
- How to harmonize data regulation on a global scale?
- Can data regulation become an economic weapon and how does it impact free trade agreements?
Can it create unfair competitive advantage?
- What will be the business impact of data regulation policies? (for example on digital advertising)