

# Guide to data transparency & GDPR

Practical guide to ensuring responsible data  
use across the entire digital advertising value  
chain



# Introduction

In an era of declining consumer trust, growing scepticism about digital advertising and a shifting regulatory landscape, brand owners need to understand more than ever how they and their partners are using consumer data to target and deliver digital advertising.

This is especially important in the context of the General Data Protection Regulation (GDPR) which will take effect in May 2018. This new piece of legislation - which will impact any company monitoring the behaviour of people in Europe or offering them goods or services - will require all companies to make major changes to the way they collect and process consumer data. Fines for non-compliance could reach up to 4% of a company's annual global turnover.

Whilst WFA members are taking significant steps to ensure their internal data processes are GDPR-compliant, brand owners will also have to ensure that the agencies and third parties they rely on to target and deliver their digital advertising are processing data in line with the new rules.

A [recent survey](#) of WFA members has revealed that only 10% feel that their programmatic approaches are already 'fit for

purpose' post-GDPR. 83% said, however, that this was a priority for 2018.

This will mean picking apart the many, complex layers of data collection taking place within the programmatic ecosystem in order to get a clear view of what data is being collected, how it is being used and whether or not it complies with GDPR.

This guide, developed in partnership with Labmatik and WFA's Digital Governance Exchange (DGX) working group, aims to provide marketers with some practical advice on how to manage this process, what questions to ask their agencies and how to validate the answers.

*"The digital supply chain is a complex labyrinth shrouded in darkness, with scores of invisible players trading data to serve ads in the blink of an eye. Under the GDPR, weak links in that chain could fatally expose advertisers so it's time to switch the lights on and manage those risks end to end."*

**Jamie Barnard, General Counsel – Global Marketing, Media and eCommerce, UNILEVER**

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# Shifting regulatory landscape

Until now the vast, complex networks used to power programmatic advertising have largely been invisible to people outside (and even inside) the advertising industry. However, the General Data Protection Regulation (GDPR), which will apply as of May 2018, is likely to change that.

GDPR introduces new, stricter rules which will require companies to be much more transparent about when data is being collected, who is collecting it and what it's being used for. In practice, this could mean that all the 'invisible' third parties in the

digital advertising value chain will be revealed. On top, consumers will need to be asked to opt in to this type of data collection in most cases. Today, much of this data is collected without consumers' knowledge.

This means that, as of May, many people will be faced with a question: do they want their data to be collected and shared with dozens, even hundreds, of third parties to fuel the programmatic ecosystem?

## Consumer attitudes to advertising & data collection

How will consumers react when confronted with the realities of the data collection which goes on behind the scenes while they're browsing the internet?

In a recent study looking at consumer attitudes to digital advertising, only 20% of people said they are happy for their data to be shared with third parties for advertising.<sup>1</sup>

But, in reality, nearly all digital advertising involves some form of consumer data sharing across different third parties including agencies, DSPs, SSPs, ad exchanges, ad servers, data brokers and many more.

At a recent WFA Digital Governance Exchange (DGX) meeting, one ad tech industry insider estimated that there could be more than 2000 different parties sharing data within the digital advertising ecosystem.

So how will consumers react when they are asked to consent to their data being used in this way? It's hard to predict, but what is sure is that advertisers will have to be confident that all parties in this system are collecting and processing data in an ethical, responsible way – and in compliance with GDPR.

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<sup>1</sup> <http://datadrivenadvertising.eu/latest-research/>

# The GDPR 'info gap'

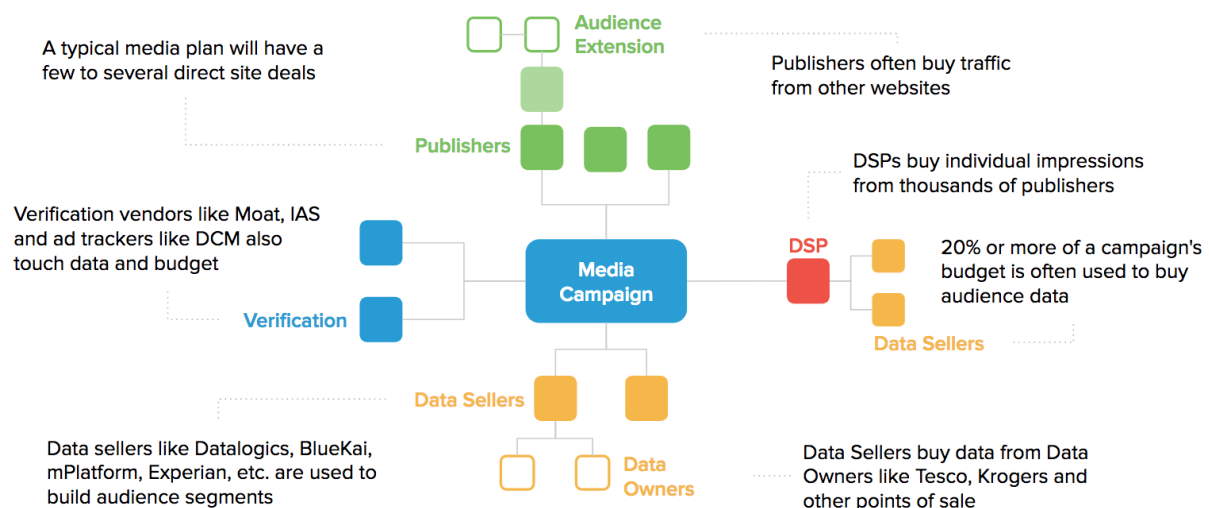
From an advertiser perspective, this means that brand owners will need to have detailed knowledge of how consumer data is used to fuel their digital advertising and who has access to it.

However, conversations with a number of WFA members have revealed that this a major challenge for many advertisers running

multiple campaigns with billions of ad impressions across a number of different agencies who, in turn, work with networks of third parties – many of whom are simply unknown to the advertisers themselves.

This challenge is described by Labmatik as 'vendor & data sprawl'.

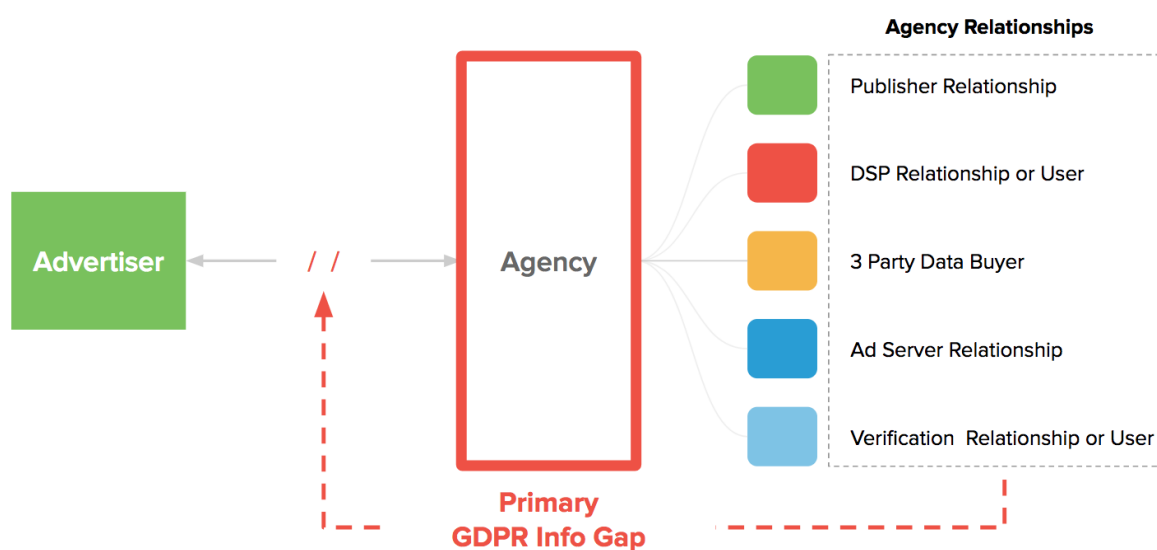
## Tutorial: A single media plan illustrated as 'vendor & data sprawl'



However, in a typical media campaign, advertisers are unlikely to have a direct connection to every third party involved in the programmatic process. Many of the complex networks associated with programmatic are managed by agencies, not advertisers.

In addition, communication around technical details can sometimes be challenging between client and agency, as the parties may possess varying levels of technological understanding and responsibility for data accountability.

## Challenge: The nagging problem large advertisers face



## Fill the gap: questions to ask agency and ad tech partners

As of May, advertisers will need to be sure that all of the entities involved in touching consumer data to target and deliver programmatic advertising are GDPR compliant. This means understanding exactly who data is being shared with, for what purposes and which checks and balances they have in place to comply with GDPR standards.

As a starting point, WFA and Labmatik would recommend initiating discussions with key agency and ad tech partners (if not already done). This guide outlines some of the key questions to ask during these discussions, as part of an ordered 4-step sequence.

### 1. Three laddering litmus test questions for agency and ad tech partners

- Do you have GDPR risk?
- Do I have GDPR risk by using your tech or data?
- Have your staff been trained in supply chain management and GDPR compliance?

If the answer is 'no' to any of these questions, you should raise concerns and not take any such answer at face value. If the answer is 'yes', then we recommend drilling down and asking for supporting documentation.

## 2. Get the GDPR ball rolling with specific questions



### Questions to ask your agency partners

- 1** What specific processes do you have in place to achieve GDPR compliance in time for the deadline?
- 2** Have you appointed a Data Protection Officer?
- 3** What are the responsibilities of the Data Protection Officer?
- 4** How will the Data Protection Officer be communicating with me on an ongoing basis?
- 5** Can you provide a complete list of all third parties with whom user data is shared?
- 6** Can you provide a complete list of all third parties who benefit from my media budget?
- 7** Please describe any possible scenario when client and/or agency and/or vendor are controller or co-controller of personal data.

**Answers to these questions will determine areas where deeper investigation is necessary.**

The key to any Q&A discovery project is to start with a handful of the right high-level questions and absorb the answers with

detailed notes. The act of writing notes will likely raise gaps and inspire similar, related or entirely different questions.

## 3. Validating answers from agency, ad tech and data tech partners

Most importantly, brand owners should consider how to validate the answers to these questions.

We recommend identifying one or more subject matter experts (internal or external) who can drill down and provide relative knowledge based on outside experience.

This person or group of subject matter experts will be able to dissect the complex and translate for other key stakeholders to understand and act upon.

When looking to identify these subject matter experts, they should meet three requirements:

1. Independent and relative knowledge
2. Ability to dissect the complex and translate it
3. Ability to ask the next level of questions and dig deeper

*“It’s important to really think about who to involve in these discussions – identify the subject matter experts in your organisation and bring them in to validate specific responses from your agencies”*

**Jacqui Stephenson, Global Responsible Marketing Director, MARS**

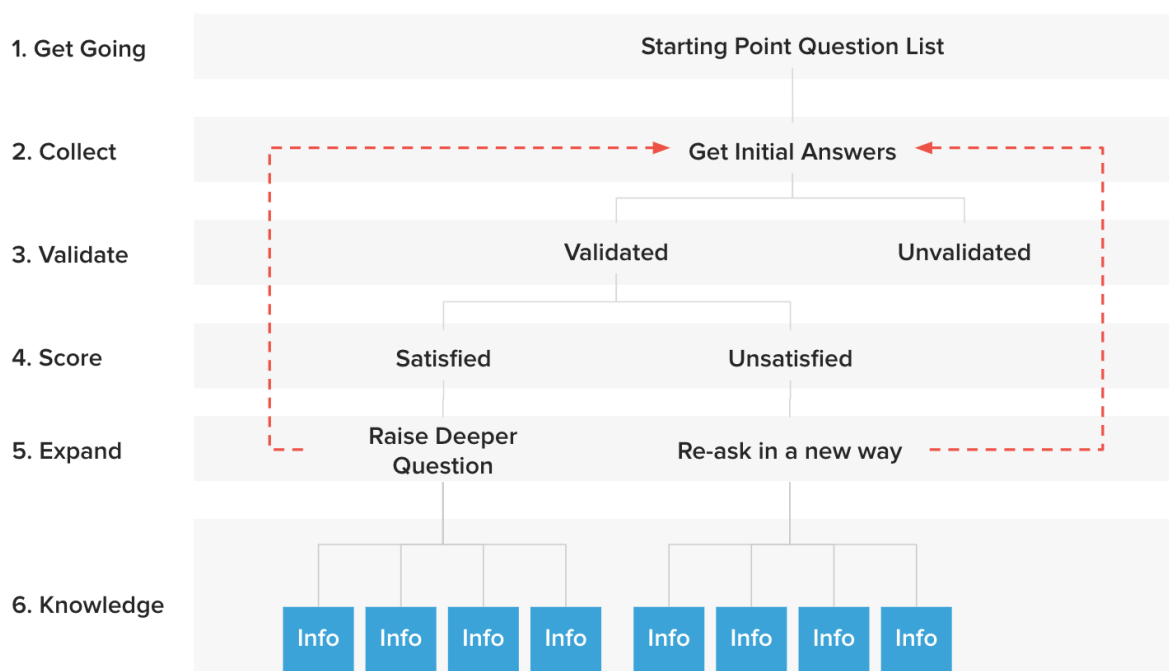
## 4. Run the question and answer cycles as a well-managed project

“Start by doing what’s necessary; then do what’s possible; and suddenly you are doing the impossible.” (Francis of Assisi). Nothing could be more true when it comes to getting organised for GDPR compliance or any other business critical project.

As each cycle of questions, answer and validation is completed, more information will come to the surface.

Every advertiser is different with respect to culture, advertising objectives and risk adversity. As such, the Q&A tree illustrated below may start out from the same seed questions, but it will most likely bear different fruit for different companies.

### The Q&A tree



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## 4 steps to getting your supply chain GDPR ready

### 1. Build and document your compliance plan

- Build a cross-departmental plan that includes compliance/legal stakeholders, IT, web management, CRM and any other department that uses consumer data.
- Get documentation ready to show to regulators.

### 2. Audit your supply chain data collection practices

- Appoint a project lead to assess what data is collected from your digital properties, by whom, and for what purposes.
- Understand and document the compliance plans of all vendors collecting data.
- Stop data collection by any vendors with no clear business value or compliance plans.

### 3. Identify risks to critical functionality

- Know which areas of vendor functionality may be affected by GDPR – talk to DSPs, data providers, measurement providers, and your agency.
- Key areas of risk: cross-device targeting and measurement, 3rd party data targeting.
- Identify areas where new functionality or vendors are needed.

### 4. Put contractual protections in place

- Re-negotiate vendor contracts to put in place indemnity clauses which protect you against vendor GDPR violations.
- Assess impact of new financial risk to vendors (especially start-ups) due to large GDPR fines.

From a project planning and key roles perspective, we suggest using the following RACI framework or similar tool in order to drive the project accordingly and manage communication across key stakeholders. As illustrated, the suggested RACI project framework starts by defining seven discrete project steps.

The ‘Project Lead’ is the key individual who leads the project and assigns a project manager. The project leader can look internally to fill areas requiring subject matter expertise or engage external experts.

In any case, we recommend keeping the projects, roles and team to an absolute minimum in order to move quickly and meet the May GDPR deadline.



Project Steps	Responsible	Accountable	Consulted	Informed
1 Project Plan Development	Internal or External Domain Expert	Project Lead	C-Level	GDPR Internal Task Force
2 Project Plan Sponsorship	Project Lead	C-Level	GDPR Internal Task Force	Marketing Team
3 Key Question Creation	Internal or External Domain Expert	Project Lead	Internal or External Domain Expert	GDPR Internal Task Force
4 Answers	Agency + Ad Tech + Data Tech		Agency + Ad Tech + Data Tech	GDPR Internal Task Force
5 Answer Validation	Internal or External Domain Expert		WFA	WFA
6 Information Translation	Project Lead	C-Level	GDPR Internal Task Force	WFA
7 Next Step Actions				

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## About WFA's Digital Governance Exchange

WFA's Digital Governance Exchange (DGX) brings together senior experts from a broad range of functions, including marketing, legal, public affairs and compliance to discuss digital governance challenges facing companies in a data-driven, hyper-connected world. As consumers become increasingly sceptical about the role of advertising in their digital lives, DGX aims to help brands address this decline in trust by building connections across sectors and between functions to seek solutions for digital governance which go beyond compliance to build and repair trust with consumers. The DGX group is chaired by **Jacqui Stephenson**, Global Responsible Marketing Director at Mars Chocolate.

To find out more about DGX, email Catherine Armitage at [c.armitage@wfanet.org](mailto:c.armitage@wfanet.org).

## About Labmatik

Labmatik takes the cost and complexity out of programmatic clearing the way for advertisers to gain control over their supply chain, increase working media, and possess the data rigor needed to grow sales. When marketers get working media right, they get the entire supply chain right.

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### WFA Competition law compliance policy



The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to. As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.

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