

The data privacy dilemma:

How CDP supports a seamless
privacy compliance posture



Contents

Introduction 3

How data privacy is disrupting
the current landscape 5

How a CDP can help 7

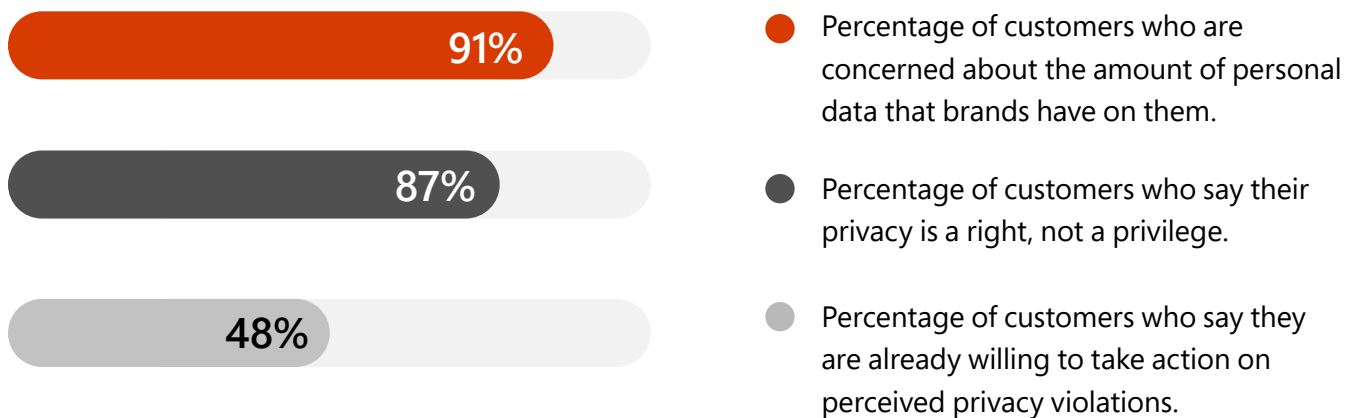
Why Microsoft Dynamics 365
Customer Insights? 11

Introduction

As digital technology has grown exponentially in recent years, so has the amount of data every individual is generating. While this ever-growing volume of data has enabled businesses to take a more active, personalized approach to customer engagement, it has also led to concern over the ways personal data is being utilized and protected. Customers today recognize that their data is being used, but they don't always know exactly how, where, or what for.

More than **91 percent** of people currently express concern about the amount of personal data that brands have on them and **87 percent** believe that their privacy is a right, not just a privilege.¹ What's more is that **48 percent** of customers are already willing to take action on perceived privacy violations and have done so by switching to a company or provider with a more open data policy.²

Customer attitudes toward data privacy



¹ Microsoft "In Brands We Trust," Microsoft in partnership with iProspect, 2020.

² Cisco "Consumer Privacy Survey," Cisco, 2019.

Not only are people becoming more selective with whom they are willing to share their data, but are increasingly wary of the way their data is handled in light of recent high-profile data breaches involving even the largest, most respected companies.

As customers demand greater protection and transparency in the use of their personal information, it presents organizations with a unique opportunity to build customer trust and gain competitive advantage through an accountable, comprehensive data privacy strategy.

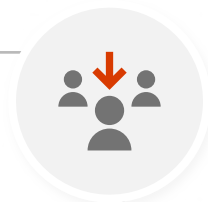


How data privacy is disrupting the current landscape

Growing scrutiny over the way personal data is collected, stored, and shared has already resulted in various regulations—like the General Data Protection Regulation (GDPR) and the California Consumer Protection Act (CCPA)—that are disrupting traditional data collection practices. Centered around providing customers more choice and control in regard to their data, these regulations prescribe how and what personal information can be collected, as well as how it can be used and how it must be handled in the event of a known data breach.

One of the leading principles of GDPR and CCPA requires that organizations obtain customer consent, or opt-in, in order to collect a customer's data. At any time, customers can also demand to know what data a company has on them, request that all their data be deleted, request that their data not be shared or sold, and more—yet this can be difficult (or impossible) to do with disparate data sources and lack of centralized customer records.

Non-compliance can cost an organization not only millions in fines, but something even more crippling in today's cutthroat and customer-centric economy—the loss of customer trust.



While there is no doubt that customer data will continue to be the cornerstone of marketing and commercial success, the mounting disruptions and regulations around how it can be sourced and used is forcing organizations to look to new approaches in order to keep up with changing demands and ensure customer trust.

GDPR

The General Data Protection Regulation (GDPR) was enacted May 25, 2018 in the European Union, outlining strict directives around transparency, choice, and accountability and is especially prescriptive in areas such as the content of privacy policies, data processing agreements and consent. If non-compliant, businesses can pay fines up to \$23.5 million, or 4% of their global annual revenue. The GDPR also requires, in most cases, that businesses notify data protection authorities of any personal data breaches within 72 hours of the incident.

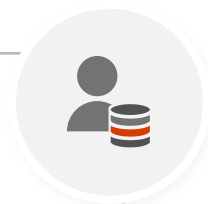


How a CDP can help

Adhering to increasing compliance standards and meeting customer privacy expectations can be extremely challenging without a central source of customer records—something many organizations still struggle with despite efforts to implement a data-first approach. How can you determine customer preferences or surface customer records upon request if there are conflicting records that are dispersed across multiple systems of engagement? The simple answer is, you can't.

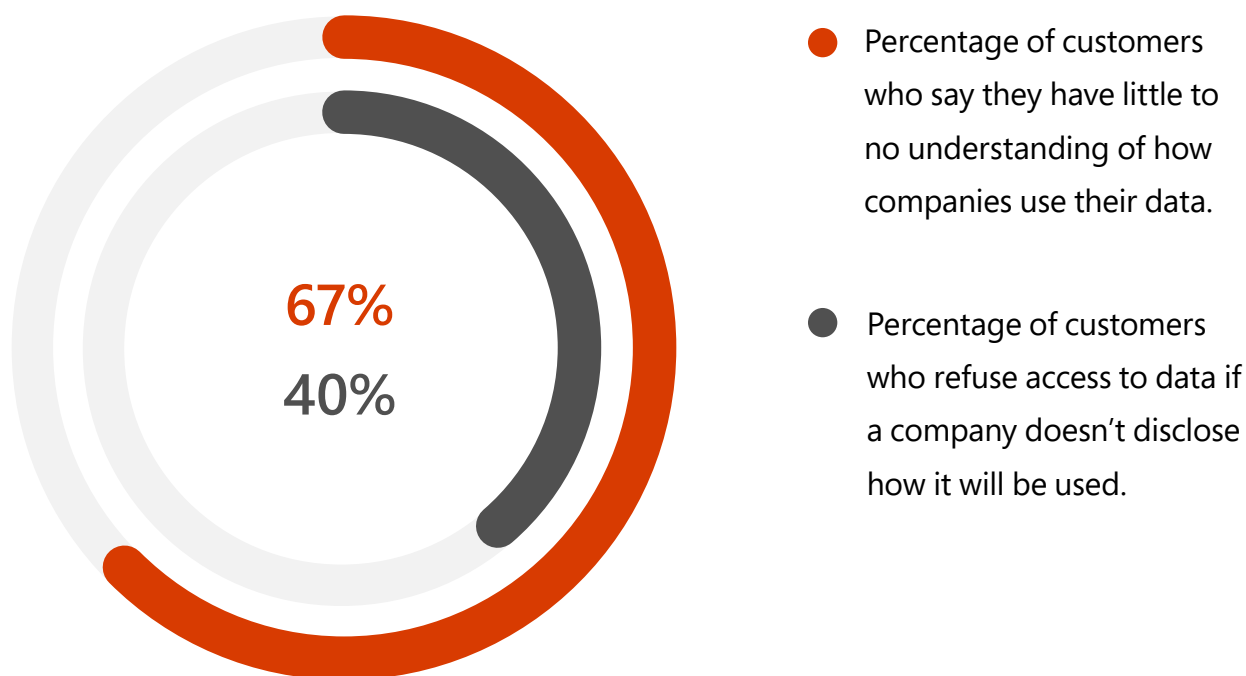
A Customer Data Platform (CDP) can help to resolve this by unifying customer data across all sources and types to provide a single source of truth, while at the same time enabling holistic customer profiles that support more efficient tracking of privacy preferences. By creating a central data repository and de-duplicating customer records, a CDP simplifies GDPR/CCPA compliance while ensuring that data is readily accessible for auditing.

Maintaining access to the customer data that organizations rely on for delivering personal, finely-tuned experiences hinges on proper data management and the ability to secure customer trust.



Nearly **67 percent** of customers have little to no understanding about how their data is being used by companies, and **40 percent** say they refuse access to their data if a company doesn't clearly disclose how their data will be used.³ This leaves an enormous opportunity to gain competitive advantage by demonstrating transparency and clearly defining the value exchange for customer data, which ultimately helps to earn customers' trust and loyalty.

Customer attitudes toward data use



³ [Microsoft](#) and iProspect, 2020.



Only by using up-to-date consents and permissions are companies able to interact with their customers according to each customer's wishes and desires, throughout the lifetime of the relationship. A CDP is the central element to gather and hold this crucial information. It is therefore an essential element in establishing and maintaining customer trust"

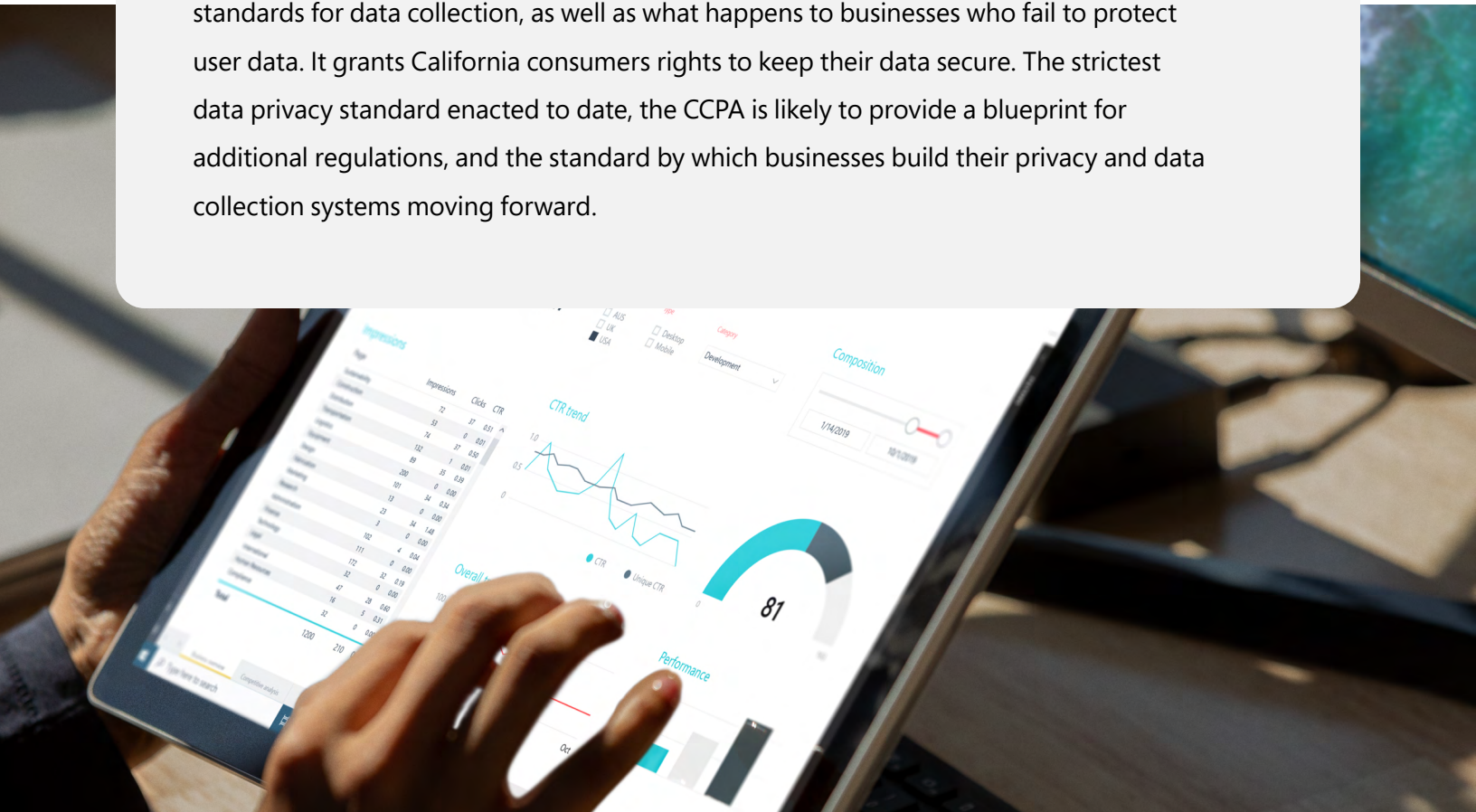
Thomas Wieberneit
CRM Evangelist and Founder
at ahead CRM
LLC



A CDP helps organizations unify customer data and enable individual privacy preferences to be met and enforced across all marketing channels to meet or exceed customer expectations. By increasing brand trust and creating a differentiated position in the market, organizations can continue to leverage customer data to provide elevated, personalized experiences that foster lasting relationships with customers.

CCPA

Effective January 1, 2020, the California Consumer Privacy Act (CCPA) outlines new standards for data collection, as well as what happens to businesses who fail to protect user data. It grants California consumers rights to keep their data secure. The strictest data privacy standard enacted to date, the CCPA is likely to provide a blueprint for additional regulations, and the standard by which businesses build their privacy and data collection systems moving forward.

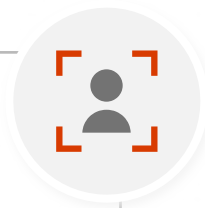


Why Microsoft Dynamics 365 Customer Insights?

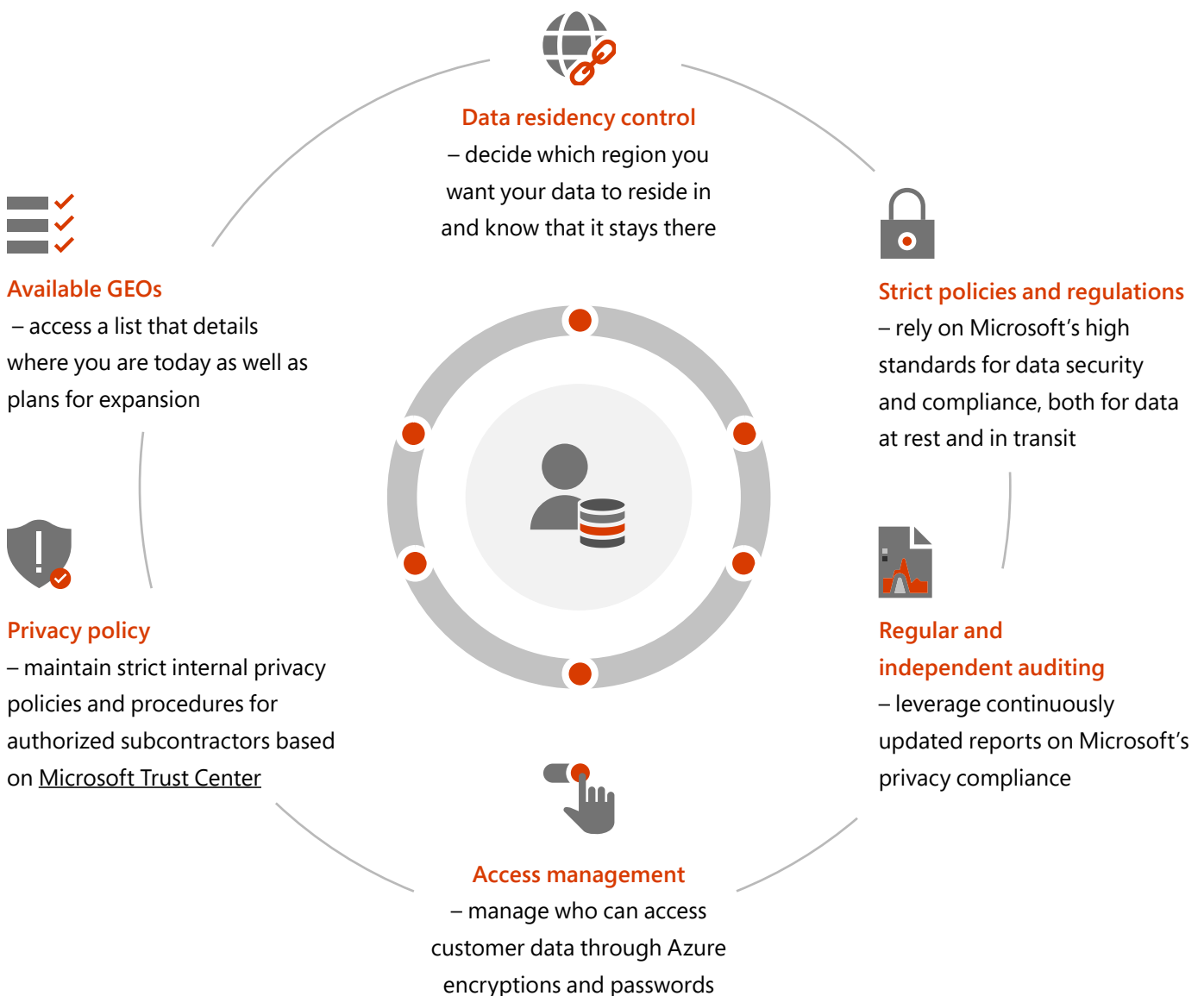
Microsoft's cloud services are built to comply with world-class industry standards for data protection and privacy, which third parties have verified. As with all Microsoft's cloud products, Dynamics 365 Customer Insights—our comprehensive CDP offering—is designed to help organizations comply with national, regional, and industry-specific laws and regulations.

Unlike most CDPs, Customer Insights is a vendor agnostic, self-service solution that enables faster time to initial value with zero to minimal consulting engagement—bring in and validate your data in minutes versus weeks or months with other solutions. Leveraging pre-built connectors, Customer Insights seamlessly ingests, standardizes, and cleanses data from all sources in a common data model to support your data privacy posture. Bring first-party data from all your business applications—like Salesforce or Adobe—into Customer Insights to manage privacy selections, settings, and updates from a single location and source of truth, streamlining identity resolution while simplifying compliance.

Leveraging pre-built connectors, Customer Insights seamlessly ingests, standardizes, and cleanses data from all sources in a common data model to support your data privacy posture.



Through scheduled or manual refresh, any changes or deletions of customer records in your systems of action are automatically synchronized to Customer Insights without the need to reconfigure data privacy and GDPR/CCPA settings. Maintain full control over your data by replacing internal data storage with your own Microsoft Azure data lake, avoiding reliance on third-party data integration tools and APIs as other CDPs require. Customer Insights also provides a wide breadth of built-in core privacy capabilities, including:



Customer Insights also leverages Microsoft's 70+ Certifications—the most in the industry—including numerous data privacy-specific compliance standards:

1. ISO 27001

5. FedRAMP

2. ISO 27018

6. EU Model Clauses

3. SOC 1 Type 2

7. HIPAA

4. SOC 2 Type 2

8. HiTrust

Learn more about Dynamics 365 Customer Insights

[Get started](#)



©2021 Microsoft Corporation. All rights reserved. This document is provided "as-is." Information and views expressed in this document, including URL and other Internet website references, may change without notice. You bear the risk of using it. This document does not provide you with any legal rights to any intellectual property in any Microsoft product. You may copy and use this document for your internal, reference purposes.