

Letter to The Minister: DTT at Sephora

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Writing II
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SEPHORA

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The Honorable Shelly Glover, P.C., M.P.
Minister of Canadian of Federal Communications
Department of Communications
150 John Street, Suite 400
Toronto, ON
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Dear Minister,

RE: Digital Tracking Technology Legislation

Digital Tracking Technology (DTT) is a new domain of technology tapping into location data transmitted by mobile devices. In order to further understand the positive benefits of this technology and any potential privacy concerns, Sephora conducted a pilot study at locations in the GTA. The purpose of the study was to evaluate the effectiveness of DTT and to conduct a survey of client's responses.

Prior to the pilot study, Sephora created a policy for all staff and technicians to ensure that the pilot was fully compliant with Canada's Personal Information Protection and Electronic Documents Act (PIPEDA). During the creation of an internal company policy for the pilot, Sephora's technical division realized that the current regulations do not contain any information specific to address location-data gathering. While Sephora created it's own policy guidelines for location-data gathering, there are no official guidelines at present, despite numerous corporations with DTT currently active. This void and inconsistency in policy regarding DTT, specifically location-data gathering, needs to be rectified in order to ensure that Canada's privacy interests are in the best interest of both corporations and government.

The pilot study was conducted using Wi-Fi routers to track clients that entered the store and used the anonymous MAC address of their device to track their frequency of visits, and duration of stay at the store. To conduct the survey, staff randomly selected clients in the store and those waiting in line to complete a survey in exchange for free products as compensation.

While Sephora's client base has predominantly 91% of its patrons identifying as female, the results of the study are still highly relevant for the perspective of the female population regarding DTT. The outcome of the pilot study and the survey revealed several key insights.

1. Tracking the location of users within the store using DTT greatly helped with analytics critical to improving sales and also with creating swifter customer response from staff.
2. 89% of clients had never heard of DTT prior to the study, only 23% were aware that the Wi-Fi on their devices could be used to gather location data within the store.
3. 63% of respondents believe that their ability to protect their personal information is diminishing, and are interested in options to better protect their privacy.
4. A staggering 71% of clients said they are not confident that they have enough information to know how new technologies affect their personal privacy.
5. 74% believe that the government should enact policies to require companies to clearly state if they are using DTT and provide users with guidelines on how to opt-out.

Given the lack of standardized policy in PIPEDA for DTT and the overwhelming response of our client's, Sephora, as a goodwill ambassador for the public, would like to spearhead a collaboration between the federal communication minister's office and leading corporations in the DTT industry. Sephora would like to propose the following course of action.

1. Organize a meeting between the federal communication minister's office and corporation in the DTT industry, such as Viasense and Turnstyle.
2. Establish a committee to evaluate the different DTT that are currently active in Canada and policies employed by DTT industry and organizations that have DTT in place.
3. Conduct a study of the public to help better steer the committee in creating policy.
4. Create a standardized policy for DTT that all parties in the committee agree with.
5. Create and revise a final draft that will be ratified by the federal communication minister's office.
6. In parliament the federal communication minister will then propose the new policy, which is in the best interest of both industry and the public, and standardizes the protocols to protect consumer privacy.

We hope that you will be able to take these suggestions into consideration.

Yours Faithfully,

Sephora Canada