

Post Expo2014

FEDMA enlightens Posts on Links between their Data-Driven activities, Privacy and Trust

FEDMA, the Federation of European Direct and Interactive Marketing successfully assisted the UPU, the Universal Postal Union in co-organising the second day of the World Postal Business Forum of Post Expo in Stockholm, Sweden on the 24th September on the theme of “Digital, Posts and Privacy-Big Data Governance: setting the right balance”. FEDMA warmly thanks the UPU, in particular Director General Mr Bishar Hussein for the trust and honour of co-organising Post Expo. FEDMA looks forward to further such opportunities with UPU.



Posts worldwide guarantee the physical integrity of letters and parcels injected into their delivery networks. Now, Posts are moving to guarantee the digital content of digital communications. FEDMA is convinced that the postal industry has an important role to play as a trusted digital mediator, ensuring secure communications towards digital mailboxes and driving e-commerce and direct marketing forward.

As secure communications, e-commerce and direct marketing all rely heavily on data, the postal industry must develop privacy expertise to be able to fully leverage its new digital role. These issues were developed throughout the day to help posts overcome challenges to become trusted mediators, from the competition they face, to the legal issues (privacy and e-identity standards) to the physical necessity of addressing.

For the first keynote speaker of the day, Alexander Singewald, FEDMA Board member, Postal Big Data will be an important source of revenue for Posts who are already collecting and using data worldwide on the basis of customs forms for example. Posts have equipped themselves with a strict self-regulatory purpose driven data policy. “Let’s play the game by the rule” insisted Mr Singewald. “Direct Marketers look forward to sharing their Big Data and privacy expertise with Posts. We’ve been there, done that and learned sometimes the hard way”. Trust was the key word for our two keynote speakers as all postal digital endeavors hinge on keeping the consumer’s trust, notably through effective privacy practices and regulations.



Post Expo2014



Robin Wilton, Internet Society, reminded the participants of the difference between being legally compliant and respecting the best interests of your consumers. “What is legal is not always legitimate. If you set the bar high, internally, you should find that your data handling practice usually exceeds what is strictly, legally required.” However, he considers that unfortunately “privacy is still something of a fringe advocacy topic, much as green issues were years ago. He nevertheless concluded on three hopeful messages for the postal industry “First: historically, postal services are both an authoritative source and a trusted intermediary; Second: the opportunity ahead of you is as an enabler of trust services in a global, distributed market; Third: even when you are not their first point of contact online, that opportunity depends on your ability to maintain the user’s trust.”

In front of a packed audience, Dr Jose Anson, UPU pleaded for Posts to avoid the Nokia scenario and move forward swiftly to offer to postal consumers smart platforms and integrated services. Nokia phone in one hand and Apple phone in the other, he urged for “Smart Post” based on openness, connection with device and sharing of data. Some Posts are already on the path towards “Smart Post”.



“Whether upstream or downstream, Big Data will help Posts make decisions earlier in the process on the basis of prescriptive analysis” ensures Jim Cochrane, USPS, who have developed bar codes for real time tracking of billions of postal items on a daily basis. USPS hopes that this real time tracking system will collect data which will help USPS “remain relevant to consumers and their letterbox”. “Velocity and real time are issues” he admitted. A high processing system needs to be built to process all the data real time. A high processing system needs to be built to process all the data real time. Delphine Desgurse, La Poste, equally picked up the issue of real time; “Real time and the IT challenges implied are the real hurdle.” Tracking postal items is only a stepping stone for Posts towards a bigger digital strategy. “You must not lose sight of the end game, for example mobile strategy for USPS”. Operational efficiency, better CRM and new business models based on data are the main objectives for Posts.



Post Expo2014



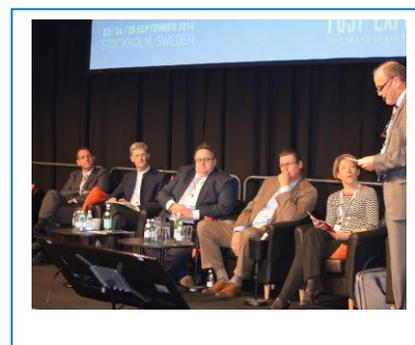
At DHL, their Big Postal Data is used for example for the online platform Geovista which helps SME identify best locations to open new stores. However some challenges remain. “Data transparency and Business alignment are the biggest obstacles to overcome before Big Data has pervasive influence in the industry” warns Dr Markus Kükelhaus, DHL, “start small, be patient and proof it before going Big”.

For Delphine Desgurse, La Poste, the goal is to “value our data equity at all the levels of the value chain”. La Poste is developing Mediapost communication to cross online navigation with online and physical address to offer better marketing targeting. Nevertheless, the roadmap towards use of Postal Big Data may look like a jigsaw puzzle. “Remains the question of aggregation and management of all the Data collected in from different sources and stocked in different silos”. According to Delphine Desgurse, Posts need proof of concept, need to integrate Chief Information Officers and hire Data talent.



David Goodman, the European Identity and Security Association, confirmed that the main challenge ahead for Posts is data management. Also, competition is intense as all sectors, notably the telecom sector, are looking into identity management and security. Reputation is a good example of data management: to establish a person’s reputation, multiple data needs to be aggregated from multiple sources, raising the issue of privacy, consumer consent, his right to be forgotten and ultimately his/her trust.

Robin Wilton, Internet Society challenged the data controllers to ask themselves two key questions: “how to create value from data and who are you creating value for?” If Posts move into data brokering, for example online reputation, trust will be paramount. Trust from consumers but especially regulators as profiling is under their intense scrutiny reminded Alexander Singewald.



Post Expo2014

The panel on privacy highlighted world privacy trends towards transparent and respectful data management. All panellists insisted on Posts informing the consumer of the use of his/her data, requiring consent when necessary, and respecting the purpose for which the data was collected.



Ruth Goldway, U.S. Postal Regulatory Commission, highlighted the historical value of data privacy in the U.S, quoting how USPS had been entrusted the highly precious “Hope Diamond” for delivery in the 1960’. USPS’s physical capacity was used in an experimental manner, limited under the law in partnership with governments (using postal trucks to collect data on weather conditions, conditions roads, mobile connections...). The Federal cloud exchange program is currently under research. It will allow individuals to benefit from secure services with the Government without using numerous identities. She considered that USPS still has a long way to go as they are still essentially using their data to enhance their logistics.

Michael Cope, Australian Post, reminded the audience that Australian Post was the second most trusted brand in Australia. He considered that privacy regulation and compliance to this regulation was not as much an issue as cybersecurity. Moreover, he guarded Posts against sellers like Alibaba. “For the moment the sellers are with us, but

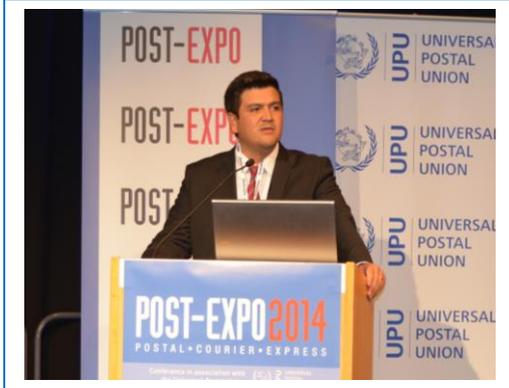


Posts may be squeezed out. If sellers were to move into delivery space, they would try to take ownership for the method of delivery. In which case, they would not have to pass on data. So, Posts would not have this data. Post should not become simple deliverers, they need to keep data to become more nimble (not limited to commodity deliverer in the last mile).“

Axel Tandberg, SWEDMA (Swedish Direct Marketing Association), summarised the main novelties of the new European regulatory proposal which will impact all processing of personal data of European individuals (even if the company is based abroad), which is very relevant for Posts as they have a numerous cross-border activities. Axel Tandberg referred to the ICC (International Chamber of Commerce) codes, which predate most privacy legislation, he called for self-regulation and best practices. “Go by the principle not to do to the consumer, what you would not like to be done to you” he advised.



Post Expo2014



Ivan Guerrero, Portilla, Ruy-Díaz & Aguilar lawfirm in Mexico confirmed the development of numerous privacy laws in South America, notably in Brazil. A lot of South American states, like Argentina, inspire themselves from European legislation so as to ensure that their legislation is considered as adequate by the European Commission for transfer of personal data from the EU. Nevertheless, he deplored a lack of privacy culture overall in South America.

He detailed the Mexican privacy law, which presents similarities to the EU legislation. Finally, Sebastien Houze, in the name of Alastair Tempest from the South African DMA, explained how many privacy legislations are also adopted on the African continent following technological developments.

However, all the digital and Big Data ambitions of Posts rest on physical addressing. Physical addresses saved 93 billion dollars to business in the US alone assures Charles Prescott, GADA Global Address Data Association. Addresses are critical for ecommerce development he insists and concludes that his goal is "to shame the world into having addresses".



Absolutely, agrees Dr Robert Pochmarski, European Commission, Internal Market Directorate; addressing is crucial for Direct Mail delivery, parcel delivery and e-identity. "There are a lot of topics around addressing to discuss", he specified as he mentioned community letterbox, parcel box, their related access and competition



Brian Mwansa, ZICTA (Zambia Information and Communications Technology Authority), described the mobile revolution in Zambia and on the African continent. Free mobile internet services will change the Zambian mobile, ecommerce and direct marketing markets, increasing m- and e-commerce, generating huge amounts of data, opening new 1-to-1 channels of communication with consumers. But these digital innovations will be circumvented without an appropriate addressing system. "Where there is a will, there is a way" he states, calling for investments into addressing systems and promoting the major addressing conference organised by the UPU in October 2015.

Post Expo2014

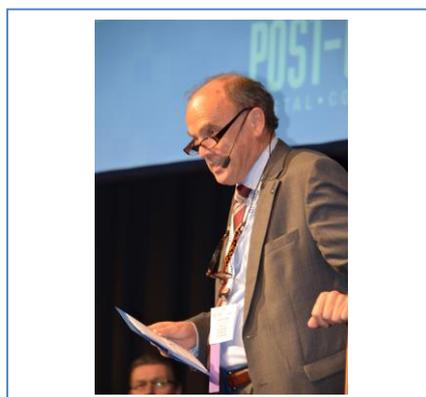


An address gives an identity, provides a person with political rights (right to vote), economic benefits concludes Alex Pigot, Addressing the Unaddressed. Without an address goods are acquired in common places and paid in cash. With a specific address based on GPS coordinates, the consumer can receive delivery at home and pay through a bank account. However, “not only do addresses deliver letters and parcels, they deliver human dignity”.

FEDMA is immensely pleased to have been able to draw the attention of the postal world to so many key messages. Sebastien Houzé, Secretary General of FEDMA, considers that success will rest with companies who can offer physical delivery, digital identity and payment services. These services will help the company know, understand and answer better their consumer's needs. Moreover, the data collected will enable the companies to move from reporting towards prescriptive analysis with better insight into what to offer the consumer. However, as technologies develops, the threat to privacy also increases. Consumer trust is pivotal and rests on four key pillars: proximity, network, security, and privacy. Posts should integrate their assets. Mr Houzé advises Posts not to be become 'just' a platform, but to become “the most secure, the most transparent, the most customer-friendly, the most respectful in Data and Privacy Communication platform!



FEDMA remains available through the UPU to share its data and privacy expertise. FEDMA warmly thanks the UPU for this opportunity and looks forward to next year's Post Expo to hopefully continue the discussions around Postal Big Data and data-driven activities.



FEDMA warmly thanks the two moderators of the day for their support and excellent work:

Ingemar Persson, Consulting (left)

Jan Bart Henry, Post NL (right)