Who owns customer data? Customers do now, so get ready.

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WHO OWNS CUSTOMER DATA? CUSTOMERS DO NOW, SO GET READY

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years.

The recent AM Digitech Conference highlighted the importance of data in the modern business world.

There has been a major shift in the orientation of the motor retail sector over the past three years. Historically, the primary focus was on the product, with manufacturers boasting or claiming their product was class-leading and using the result to undertake an outsell the competition. The emphasis has shifted to more market orientation, where information and access to customers is a major factor driving sales success.

For me, the most interesting aspect of the AM conference was the discussion entitled 'The Great Data Debate.' The focus of the discussion was around the new EU General Data Protection Regulation (GDPR), which is due to come into operation in May 2018. A long time, there has been a tension between dealers and manufacturers over who owns the customer information. GDPR solves this by stating that it is the customer who owns their own data and it is up to the firm whether they share it with you or not. On top of this, there are rules on increased level of cyber-security, with the appointment of data controllers to record all dealer transactions.

The regulation gives customers the right to opt out or to stop their data being shared between dealers, finance houses or manufacturers. Martin Hickley of G0 DPO portrayed a scenario where the Information Commissioner's Office can step in if non-compliance is found and order a temporary or permanent cessation of data processing and data transfers. The recent malware attack that affected the NHS highlighted the problem of running an organisation without using electronically generated information.

Many dealers rely on third-party providers for much of their data management systems. A number of commentators have suggested that dealers cannot simply rely on these intermediaries to make them compliant. It is highly unlikely that any data system provider will either want to or be able to undertake the liability for non-compliance to the regulation.

In reality, most data breaches are not caused by machines, but by people, either not understanding their responsibility or how the technology works. One of the biggest issues will be the training of staff in understanding this new regulation and what impact it will have on them or the organisation.

The next biggest issue will be if members of the public request their data not to be used in our interactions with them. This would make things such as MOT and service reminders problematic.

Like most legislation, until it is activated we are not likely to know the full implications, but there is definitely a need for preparations to be made as it could radically change our interaction with our customer base.

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